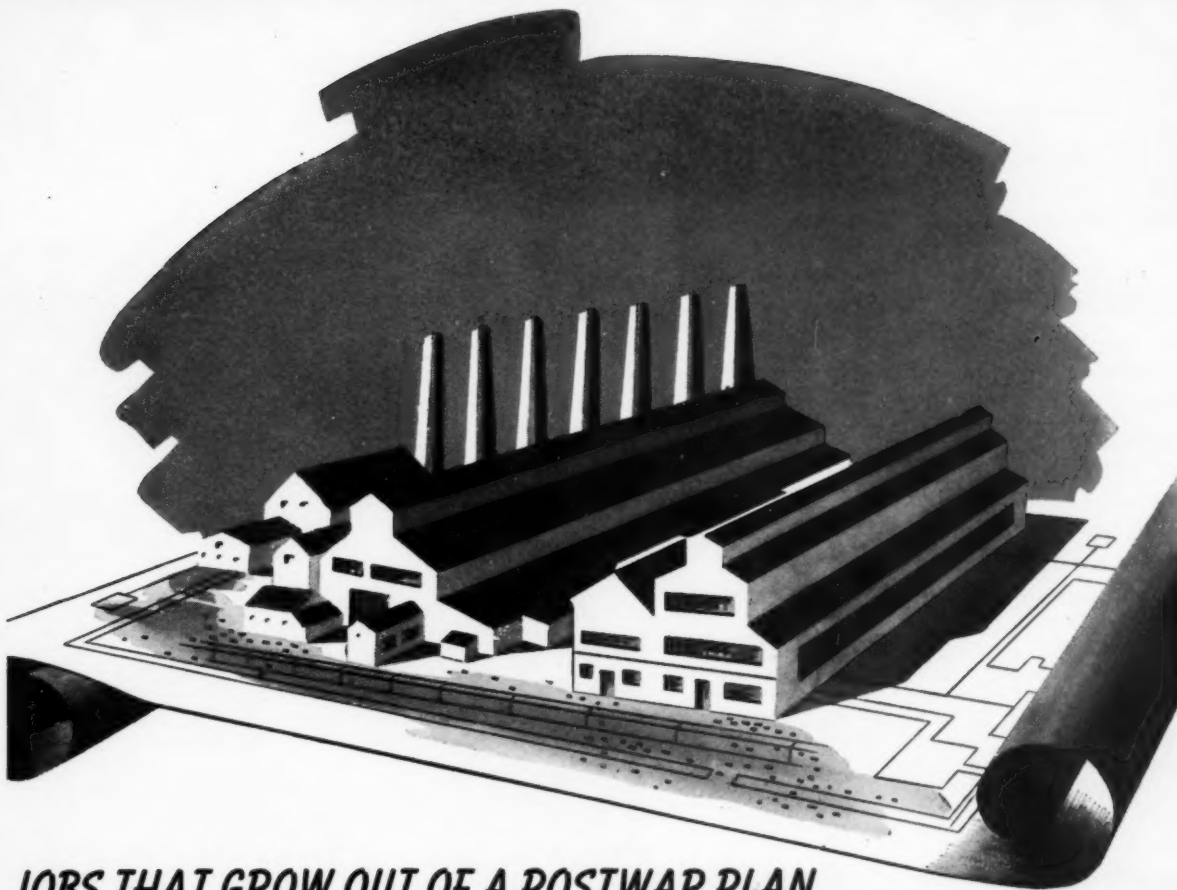


# *The* NATIONAL UNDERWRITER



## ***JOBS THAT GROW OUT OF A POSTWAR PLAN***

Big changes will take place in American industry — among your clients — as reconversion progresses. Changes in title and ownership, changes in type and amount of inventory, changes in kinds and value of equipment. Never before has there been so much emphasis on advance planning in business.

Almost every time such widespread changes have taken place there's been a lag before insurance was adjusted. That meant a period during which there was under- or over-insurance, unnecessary kinds of coverage or lack of essential protection. Which always means either wasted money or dangerous chances that shouldn't be taken.

Why not talk with your manufacturing clients now, and offer to take over this

part of their reconversion job. Suggest that before changes of values or payrolls, either up or down, are made, you be given advance notice, and told what will take place. Only in this manner can insurance changes be simultaneous, as they should be.

You have a real insurance job to do. All too few manufacturers realize the extent to which a good insurance agent can contribute to a safe economical reconversion job. How many really appreciate how much the insurance business as a whole means to American industry? Not only to sell insurance, but as part of your own agency's public relations efforts, tell the story of insurance and your agency. Tie in with the programs of the National Board of Fire Underwriters and the National Association of Insurance Agents.



## **Security Insurance Companies**

SECURITY INSURANCE COMPANY OF NEW HAVEN  
THE EAST & WEST INSURANCE COMPANY OF NEW HAVEN  
NEW HAVEN UNDERWRITERS  
THE CONNECTICUT INDEMNITY COMPANY  
1841 — SECURITY, THE NATION'S WATCHWORD — 1945

**THURSDAY, JUNE 28, 1945**

# BIG JOB?

**OF COURSE IT'S A BIG JOB!** But then everything about this war with Japan is big. Mountains of supplies have to be moved thousands of miles—to millions of men—at a cost of *billions* of dollars!

This great 7th War Loan Drive—one mighty effort instead of the two we had up to this time last year—must and will be a success. Our fighting men are depending upon *us all* to continue to do *our* job on the home front—and an important part of that job is to buy *more* and *bigger* War Bonds.



ALL OUT FOR THE MIGHTY SEVENTH!

☆ THE HOME ☆  
Insurance Company  
NEW YORK  
FIRE • AUTOMOBILE • MARINE INSURANCE



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## Cancel Plans for N.A.I.A. Convention at St. Louis

**Meeting of Directors to  
Be Held in Midwest  
in October**

NEW YORK—The executive committee of the National Association of Insurance Agents at its meeting here voted to cancel the gathering originally slated for St. Louis in September and to substitute for it a meeting of the National Board of State Directors. This will represent a considerable curtailment from the meeting planned for St. Louis and will be held in a midwest city toward the last of October.

This conforms with the wishes of the St. Louis board, which, though amenable to acting as host for a curtailed session, expressed a preference to be the host board when conditions permit a regular meeting.

The executive committee voted to discourage extended trips of N.A.I.A. officers and executive committee members to attend state association meetings. The committee decided that representation of the National association for attendance at the convention will be selected on the basis of convenience to the site.

State regulatory legislation was discussed at the executive committee gathering by President W. Ray Thomas, Pittsburgh, and General Counsel W. H. Bennett. The committee decided on distribution of the bank and agent auto plan manual and ratified plans for membership survey.

Although there was a limited appropriation granted to publish the bank and agent auto plan manual, the executive committee concurred in the recommendation of the finance account committee that in view of the importance of the project to the membership a budget increase is warranted to finance the printing of the manual in sufficient quantities to provide each member with a copy without charge. The charge to non-members, companies and banks, will be 50 cents.

Leonard P. Whelan, Greenwich, Conn., chairman of the membership committee, reported that membership month in May produced about 400 new members. Attainment of 20,000 members is imminent, he said, and in view of recognition of the 20,000th member, in the near future, the exact number of members at present wasn't revealed. The development of a program to celebrate the 50th anniversary of the association in 1946 was referred to Averell Broughton, public relations counsel, with the recommendation that a program be submitted at the next meeting of the executive committee.

The budget was approved by the finance committee, headed by O. Shaw Johnson of Clarksdale, Miss., and a special committee, consisting of the finance committee plus the chairmen of the membership and public relations committees, met to study future financing of the association.

Wade Fetzner, Jr., Chicago, chairman of the public relations committee, and Mr. Broughton presented reports. O. H. West, manager of the Washington office, and L. P. McCord, Jacksonville, chairman of the educational committee, discussed their activities. Vice-president Hunter Brown, Pensacola, Fla., presided

## Wisconsin Adopts 1943 Fire Policy

MADISON.—The Wisconsin legislature has passed the bill making the 1943 New York standard fire policy mandatory in this state as of Oct. 1 and it is expected to be signed by the governor. The law will permit fire companies to use old supplies for eight months after the effective date, with an endorsement or agreement to construe the old contracts under the terms of the new form. The present Wisconsin policy is a statutory edition of the 1918 New York form, the principal difference being that the lightning clause is included in the printed policy.

### Old 1918 Form Almost Extinct

The extinction of the 1918 New York policy is now almost complete. Illinois, the only remaining state requiring it, is expected to pass a law this week giving the insurance director authority to prescribe a standard fire policy, which will undoubtedly mean early adoption of the 1943 form. The old 1886 New York policy is still required by law in Connecticut and is still used in Kansas, which does not prescribe any policy, but where Commissioner Hobbs has found legal obstacles to approving the 1943 form. Six states, however, still use special statutory forms and show no sign of changing from them. Massachusetts, New Hampshire, Maine and Minnesota have editions of the New England standard policy and Iowa and California have special contracts which resemble no other.

### Other Wisconsin Legislation

The Wisconsin legislature has passed a bill of a technical nature that amends a portion of the law on kinds of insurance referring to "fire insurance on land." The "on land" phrase has been deleted. This reference had caused a theoretical ambiguity insofar as inland marine insurance is concerned although the law had never been construed in any way to interfere with normal operations.

### Quebec Brokers Election

Paul Remillard has been elected president of the Quebec district of the Insurance Brokers Association of the Province of Quebec. Vice-president is G. J. Ernest Cote and secretary J. M. Poitras.

### E. F. Marquardt Ala. M.L.G.

The Alabama Blue Goose at its annual meeting and outing elected E. F. Marquardt, Cotton Insurance Association, most loyal gander.

R. N. R. Bardwell, Jr., Fire Companies' Adjustment Bureau, is supervisor; C. H. Avery, New York Underwriters, custodian; L. E. Stark, Loyalty group, guardian; Robert M. Campbell, general agent, keeper, and L. Vernon Cante, Alabama Inspection Bureau, welder.

at the sessions. Other executive committee men on hand were W. Loring Ferguson, New Orleans; Alvin Keys, Springfield, Ill., and Guy T. Warfield, Jr., Baltimore.

Pending arrival of Frank Colridge, who succeeds J. B. Miller as secretary, George Du R. Fairleigh, treasurer and assistant secretary, was appointed to act as secretary. Mr. Colridge is expected to arrive early in August.

St. Louis will not make a bid for the 1946 annual meeting, as it is understood Denver is slated to get that meeting. However, St. Louis would like to be host at the 1946 mid-year meeting if travel restrictions have then been lifted, and if not then at the 1947 mid-year or annual convention.

## Defer Action on Wave Cover

The Eastern Tornado Insurance Association at its meeting at New York decided to defer action on the proposal to authorize the insuring of storm wave damage. A resolution was adopted recommending that the matter be explored further by the executive committee and that it consult with other organizations that are interested in the subject. These will include the Western Underwriters Association, S.E.U.A. and Pacific Board.

Those opposing immediate action on the proposal feel that the other groups that are interested should be consulted and that full consideration should be given to the catastrophe possibilities in connection with such insurance.

The proposal is being considered because of the difficulty encountered in satisfying policyholders whose properties were destroyed or damaged by action of the sea in the hurricane of last September. The matter became an especially prominent issue when Governor Edge of New Jersey just after the hurricane, in addressing a meeting of the New Jersey Association of Insurance Agents, spoke harshly of the insurance company attitude towards such losses.

## New Chicago Setup of Phoenix-London

Harold A. McKenna has been appointed Chicago and Cook County manager of the Phoenix-London group for both fire and casualty operations and James G. Hughes has been appointed assistant manager. The change takes place following the death of T. L. Pusey, who was Cook county manager of Phoenix insofar as fire insurance was concerned.



**H. A. McKenna**

Mr. McKenna has been located at Chicago since 1937 as resident manager of Phoenix Indemnity and as manager of the inland marine department of the organization. In this capacity he had duties throughout the middle west as well as in Chicago but hereafter his work will be confined to Chicago and Cook County. He started in the casualty business in 1912 in his native Boston and in 1921 went with London Guarantee as special agent in New England. In 1925 he was advanced to manager of the New England department and remained there until he was transferred to Chicago.

Mr. Hughes has been Illinois state agent with headquarters at Springfield since 1936. He is a native of Nashville and attended Columbia University fire insurance course under the sponsorship of Phoenix of London, commencing in 1928. In 1930 he went into the home office on a full-time basis and had experience in all departments until he was assigned to the Illinois field. A successor as Illinois state agent has not been announced.

## Birmingham Fire Buys Home Office Building

BIRMINGHAM—Birmingham Fire has bought the two-story reinforced steel and concrete building at 221 North 21st street here for use as a home office building. The company will continue to occupy part of the building and lease the remaining space to Jemison-Seibels, Inc., and the Jemison Companies, fire insur-

## S.E.U.A. Anti-Trust Suit Dropped; Civil Action Unlikely

**Biddle Dismisses Criminal  
Case Year After Supreme  
Court Decision**

WASHINGTON—More than a year after the U. S. Supreme Court decision in the Southeastern Underwriters Association case, Attorney General Biddle has directed dismissal of his anti-trust suit against S.E.U.A. and its member fire companies. The U. S. attorney at Atlanta acted Tuesday in the federal court there, and the criminal proceeding was dropped.

It is stated here there will be no government civil anti-trust suit against S.E.U.A. The department statement follows in part:

"The Attorney General said he had directed dismissal of the indictment because of legislation recently enacted by Congress granting a limited exemption from the Sherman act for the business of insurance until Jan. 1, 1948. At the present time, the Sherman act is applicable to the business of insurance where there are acts of boycott, coercion or intimidation or agreements to boycott, coerce or intimidate. After Jan. 1, 1948, the anti-trust laws will apply in full force to the extent that insurance is not regulated by state law."

In view of the purpose of Congress to provide a limited moratorium period for the business of insurance from operation of the Sherman act and to provide the states with an opportunity to enact regulatory legislation consistent with the purposes of the Sherman act, Mr. Biddle said, Department of Justice will not prosecute insurance companies for past violations of the anti-trust laws unless such activities are continuing and are not within the present limited exemption.

Department attorneys said that this does not mean, however, that alleged boycott, coercion or intimidation violations of the anti-trust law by insurance interests in the past will not be prosecuted. Such acts or agreements are specifically exempt from the moratorium provision of public law 15.

### NO CLARIFICATION LETTER

WASHINGTON—The projected publication of correspondence between state insurance commissioners and the Attorney General concerning the federal attitude or policy with respect to insurance, and particularly state insurance laws and regulation, appears to have been abandoned.

The matter was discussed between department officials and commissioners several weeks ago. The commissioners were said to have desired clarification with respect to a number of questions.

The understanding here was that they were to draft a letter to the Attorney General, to which he would reply. No such letter has been received here, however, it was said at the Department of Justice.

This project was suggested here at a conference of Attorney General Biddle and a committee of state commissioners (CONTINUED ON PAGE 23)

ance general agents, which have had offices in the building the last 20 years. H. L. Seibel is president of Birmingham Fire.

## I.E.A. Takes X-Ray of Stock Fire Operations

**Strive to Formulate Underlying Principles—Confer This Week with Westerners**

NEW YORK—Representatives of the Western Underwriters Association met with Insurance Executives Association officials here Monday through Wednesday as part of the I.E.A. program of re-examining the whole basis of operation of the stock fire insurance industry Representation of the non-I.E.A. companies was included. It was desired to get the views of nonmembers as well as members, but their inclusion is undoubtedly significant in the light of I.E.A.'s announcement last week of the easing of membership requirements.

The reappraisal that is going on is more than just a matter of doping out how to keep out of trouble with the law as the result of the S.E.U.A. decision. It is an effort to exchange views with the aim of arriving at underlying principles on which the business should operate, on the theory that the fire insurance business has certain privileges and that certain responsibilities go with them. Emphasis is being placed on principles and their integrity, the feeling among I.E.A. leaders being that unless there is this integrity the rules and regulations won't mean very much.

What is going on in the meetings with various organizations is to review proceedings and see where improvements can be made. There is no effort being made to tell the regional organizations what to do but rather to make the experience of each available to the others.

While this long-term, broad-gauge program is the ultimate objective there are many details of practice that have to be considered with respect to their implications in the light of the S.E.U.A. decision and public law 15. A memorandum sent out by the I.E.A. to its members listed some of these. These include rules of agents organizations or boards such as the in-or-out rule; rules forbidding members to deal with nonmembers, limitations on number of agents in a territory, limitations on types of companies an agent may represent or rates at which agents may write; qualifications for agent members, and procedures that might be considered to be directed at outsiders.

Others listed are: Rules and operations of field men and their associations or clubs in securing compliance with rules and practices of other organizations, existing practices regarding joint making or maintenance of rates in a single state on ordinary risks and also on those risks on which it does not seem feasible to file rates with separate state authorities, such as some inland marine or aviation risks; rate making for interstate risks or involving transportation from one state to another; stamping and auditing bureaus; syndicate operations; joint establishment or maintenance of commission schedules; reinsurance operations; joint action on policy and coverage forms and on adjustments; rules and practices applying to eligibility and qualifications and classifications of brokers; rules, practices and agreements regarding agency balances, etc.

### Union Mutual Cuts Dividends

Union Mutual Fire of Providence has put into effect a five point reduction in dividend rates on about 70% of its business. The current dividend scale is 15% on mercantile and manufacturing, 20% to

## Detroit, Hartford on 40-Hour Week

DETROIT—Decision to return Detroit's insurance offices to the prewar basis of a 40-hour work week was reached at a conference of spokesmen for 18 companies at the home office of Michigan Mutual Liability under the auspices of the Affiliated Insurance Interests of Michigan. W. G. Curtis, president National Casualty, presided and L. J. Carey, general counsel Michigan Mutual, was host.

When Detroit was designated as a critical labor area in 1943 a directive forced the companies to go on a 48-hour work week. Later an appeal allowed the companies to adjust to a 44-hour week for the office forces. Still later Detroit was placed in Area 2 and recently has been reduced to Area 3, which indicates that the labor supply and demand are about in balance, whereupon the WMC abrogated its modified directive, and the conference resulted.

About half the companies either have already returned to a 40-hour week or propose to do so immediately while the other half are seriously considering doing so shortly. There was a complete unanimity of opinion on the desirability of the 40-hour week as opposed to 44 hours, although some prefer 39 to 39½ hours.

Another complication in working schedules has been the companies' agreement to cooperate with the department of street railways to relieve the peak load congestion on public transportation lines by staggering working hours.

Some difference of opinion developed on the comparative advisability of working eight hours per day for five days, with or without a skeleton staff on duty Saturday mornings, as against 7 or 7½-hour day for five days and a full half day for all the force on Saturdays. Each company will establish its own practice on this point.

It was pointed out that wage-and-hour employees will get slightly less take-home pay under the 40-hour setup, but to keep the same take-home pay under the 40-hour working week would be construed as raising wages, which would require formal approval. Consensus was that such approval would not likely be received.

### HARTFORD ON 40-HOUR BASIS

HARTFORD—Suspension of WMC controls over such aspects of the employment situation as manpower ceilings and the 48-hour week in the Hartford area brought in its wake a return to more normal working conditions for many insurance companies.

Travelers was first to announce the readoption of the old five-day week, to begin July 9 and continue until further notice. Hours will be from 8 a.m. to 5 p.m., with an hour for lunch, this 40-hour week replacing the present schedule of 41½ hours weekly.

Phoenix Mutual Life and Phoenix Fire also are returning to a 5-day week, starting July 1. Connecticut Mutual Life returned to the old schedule June 25.

Home office employees of the Aetna Life group were informed that the Saturday morning overtime will henceforth be omitted in any department where work permits, beginning July 2. Before approving Saturday absences, however, department heads were asked to satisfy themselves that the work in their departments would not be seriously delayed, and that at least a skeleton force would be on hand.

The easing of WMC controls was made for a 90-day period only, although it seems unlikely that it will be necessary to reinvoke the restrictions at the end of that time. No change has yet been made in the classification of Hartford as a No. 2 critical area, and all men hired must still obtain certificates availability and referrals.

25% on dwellings and 5% to 20% on all other classes.

## McAuliffe Gives Slants on Germany

Frank C. McAuliffe, chief of the Chicago fire insurance patrol, who is in Germany as a member of the U. S. strategic bombing survey, wrote a letter as of June 5 to W. W. Hamilton, manager of the Chicago Board, and copies were made and circulated among officers and directors of the board.

He reports that being interested in insurance and being on the lookout for fire prevention and protection measures he called on what he was told was the largest company doing business in Hanover province. This company has its home office in a large building which was partially destroyed and Chief McAuliffe was introduced to a Dr. Rahlves who is a prominent fire protection engineer. The company is a mutual, organized in 1751.

"The doctor showed me what was left of one of the most interesting fire prevention exhibits I have ever seen," Chief McAuliffe wrote, "and gave me numerous pamphlets he had written on the subject of prevention and protection along with sample policies and rating manuals. I then called on the manager of the Concordia, a stock company, and took such sample literature as I thought might be of interest. I have been unable to find a standard sprinkler system anywhere in Hanover and their idea of fire resistive construction is entirely foreign to ours.

"I inspected a 10 story building of reinforced concrete and protected steel supports throughout, yet all windows even on severe exposure side were of wood frame and sash, elevator doors of wood, open stairways and no fire escapes. On the top of this building they had a planetarium and motion picture show house under a spherical roof with a seating capacity of 250. What happened to this building I am not permitted to say at this time, but is an interesting story. However, I do believe that their method of home and apartment building construction on the average is better than ours from the standpoint of fire control.

"In general, the floor of the first floor is of concrete, all partitions are of brick, there are no lath and plaster on wood studding common in the United States. Their roof construction is peculiar, however, as most roofs in the cities are tile on wood supports—even on their more modern buildings of otherwise incombustible construction. I had better stop right here as I am getting close to forbidden subject matter—not from a security standpoint, but rules of the survey.

"I am getting a fine working knowledge of fire conditions and will make a good agent for some one of our companies if they want to compete with the others in this territory. On second thought, I had better stay with the patrol—they may pay me in German marks.

"I received letters from home in which they tell me about the shortages. I am having more meat, cheese, butter, catsup and other such commodities than you do at home. Just the other day a major of a company that was moving came over and offered our supply captain almost a whole side of frozen beef which he refused because our icebox was full! We now have 24 officers, enlisted men and civilians on our team, and it is a marvel to me to sit down to a meal complete in every detail—all of which was brought from the states."

### Perow Becomes Local Agent

William G. Perow, head of the improved risk department in the Fireman's Fund home office, has resigned as of July 15 to enter the local agency business in Stockton, Cal. Mr. Perow was a member of the firm of Periano Bros. He is widely recognized as a production authority on U. & O., and has been with the company 23 years.

## Reviews Record of WSA Insurance Operations

**Admiral Land Gives Many Details of War Covers**

WASHINGTON — While Senator Aiken, Vermont, has been attacking the maritime commission and war shipping administration for alleged insurance of ships for extravagant amounts, the two government agencies are saying nothing beyond official testimony before congressional committees, in connection with appropriation legislation reducing the WSA insurance fund by \$50 million.

Admiral Land recently told a committee the marine and war risk insurance fund results summarized as of Dec. 31, 1945, showed commercial underwritings: liability, \$5,719,919,113; premium, \$102,515,205; claims, \$92,285,803; net profit, \$10,229,402. Insurance covering vessels chartered or requisitioned by WSA and crews of vessels owned, chartered, or requisitioned by WSA: liability, \$12,130,617,934; premium, \$405,650,332; claims, \$343,371,402; net profit, \$62,278,930.

Admiral Land also reported as to insurance of government property or property in which the government has an interest, through the maritime revolving fund. This insurance is principally marine hull on vessels bare-boat chartered to foreign governments and in turn chartered to WSA, and vessels under construction by maritime. July 1, 1943, through Dec. 31, 1944, total liability of this character was \$209,824,457; premium, \$3,877,655; claims, \$535,016; net profit, \$3,342,639.

### Mystery as to Cause of Loss

A statement submitted by Land said it has been impossible to ascertain cause of loss of some missing vessels, and there was also uncertainty as to the law, and impossibility of determining whether marine or war-risk underwriter is liable. This led to agreements with underwriters in United States and England under which assured have been able to recover loss, leaving ultimate settlement between underwriters for a later date.

WSA testimony at the Capitol discussed its operations as a buyer of insurance, including protection and indemnity, hull, third-party liability, etc. Cost of the first item, Dec. 1, 1942, to Jan. 1, 1945, totaled \$44,119,842, of which \$1,353,903 was reimbursed by WSA.

Total premium on hull on bare-boat chartered and time-chartered vessels July 1, 1943, to June 30, 1945, was given as \$33,039,469.

The statement told of use of brokers by WSA, permission for shipping general agents or owners to place insurance, etc. The brokerage rate is stated to be not more than the lowest levels paid by commercial companies. Underwriters' profits are limited.

The annual cost of third party liability has been very small, it is stated. Interest is allowed on delayed payment of claims.

WSA stated it was giving consideration to arranging coverage on public vessels on a self-liquidating basis. If this plan is adopted, it was stated, funds asked for payment of claims would be utilized to pay premiums on such insurance.

Admiral Land said there are \$25 million claims outstanding against WSA, where the question of liability is in doubt as to classification under the old free-

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## Insurance Women Make Real Progress in Their Effort

### National Association Records Many Features of Progress in Education

The officers and executive board of the National Association of Insurance Women concluded their sessions in Chicago last Friday noon. They started to work the Sunday evening previous and kept at it in a strenuous way during the week. The new president, Mrs. Fern Harrington Anderson of St. Paul, was notified of her election Tuesday morning. She caught an afternoon train for Chicago, arriving during the progress of the banquet. She participated in the business sessions afterward. The retiring president, Mrs. Ada V. Doyle of Caldwell, N. J., was in charge of the business meetings and handled the affairs in a very commendable way.

#### Those in Attendance

Others attending were First Vice-president Clara A. McCubbin, Baltimore; Second Vice-president Doris Mundt, Sioux Falls, S. D.; Corresponding Secretary Claire E. McCurry, Paterson, N. J.; Treasurer Marcella Beise, Minneapolis. Board members Edna Bowman, Chattanooga; Marjorie Wilson, Topeka; Elsie B. Mayer, Denver; Betty Augustus, Indianapolis; Antoinette E. Oster, Long Beach, Cal.

Eva Brower, Portland, Ore., recording secretary, and Marjorie Hull, Syracuse, board member, were unable to attend.

The election was by mail. Berneda Faulk Crum of Wichita, chairman of the education committee, stated that complete facts and figures will not be available until the end of August. The records to date show 35 local women's clubs in 18 states have sponsored 90 of the N.A.I.A. study courses during the current school year. An increasing number of insurance women have completed the course and have received certificates. Several more certificates are to be awarded within the next few months.

#### Course for Beginners

Much interest was taken in the report of Elsie Mayer, chairman of the beginners course in insurance education. This is an elementary manual and the first unit is instruction in fire insurance. She is collaborating with the coordinator of the department of vocational education of the Denver public schools. It was the recommendation of the board that she complete the material already assembled. She has given much time and thought to this special work. The manual is intended for new women workers and those who have not yet mastered various phases of their positions.

#### Membership Report

A report of Marjorie Hull, Syracuse, chairman of the membership committee, was read. She reported that 64 clubs participated in the membership drive last November. There were 762 new members added to the rolls.

Mrs. MacCubbin, organization chairman, reported 10 new clubs, three more being in process of organization. The National association has now 94 member clubs, in 36 states and Washington, D. C., under its jurisdiction. Those states not yet represented are Delaware, Idaho, Maine, Mississippi, Montana, Nevada, New Mexico, North Dakota, Utah, Vermont, Virginia and Wyoming. Doris Mundt, Sioux Falls, S. D., chair-

(CONTINUED ON PAGE 22)

## Wisconsin Field Groups Gather Near Milwaukee

MILWAUKEE—Wisconsin field men limited their annual meetings at Ozaukee Country Club Tuesday to one day, following the meeting and party of Wisconsin home nest of Blue Goose Monday, in keeping with conditions. Usually the gathering is two days at some Wisconsin summer resort.

Wisconsin Blue Goose annual business meeting and initiation was in charge of T. L. Mulcahy, National Fire, most loyal gander. Walter Sukow, Travelers Fire, advanced to most loyal gander; Thomas Hites, Boston and Old Colony, supervisor; William Ferguson, Queen, custodian; Allan Larson, Fireman's Fund, guardian; Al P. Riedinger, National Union, keeper; J. A. Nelson, Home, welder. Mr. Mulcahy was named delegate to the grand nest meeting in Minneapolis next month; Mr. Sukow alternate. Irvin Frey, Firemen's, deputy most loyal grand gander, installed the officers. Grand nest officers present included T. G. Linnell, Minneapolis, most loyal grand gander; R. A. Kenzel, Milwaukee, Phoenix-London group, grand welder, and Hubert Wolfe, of Wolfe & Hart, Milwaukee insurance attorneys, grand judge advocate.

#### Grand Nest Men Take Part

Grand nest officers participated in the initiation. K. S. Sturtevant, Norwich Union; A. K. Forster, Sun; Carl Swanson, America Fore, and John Caralon, Western Adjustment, became ganders. Twenty-five year pins were presented to Wendell Phelps, Fire Insurance Rating Bureau; E. C. Hauser, North British & Mercantile; Louis Brechler, Neckerman-Brechler general agency, Madison; Clarence James, Aetna Fire, retired; Fred Weineck, Pearl; George Hannon of the rating bureau, retired, and Charles Cook, America Fore, Wausau. Frederick Edler, who retired early this year after more than 50 years with New York Underwriters, was presented a life membership certificate.

Mr. Linnell discussed administration objectives, such as support of the war effort, keeping up home front activities, maintaining contact with members in armed services and assisting those who return in rehabilitation to civilian life and their former occupations as field men. The grand nest meeting will be held for good of the order and consideration of necessary business and for plans to help individual ponds formulate a program of service to members returning from war.

#### Have Party and Golf Outing

Grand nest officers were guests of the Wisconsin pond officers at dinner, and later also attended an informal dance and card party for ganders and their ladies at Cudworth Legion Post clubhouse. H. L. Mauritsen, Fireman's Fund, was general chairman of arrangements, as well as sports chairman for the field men at a golf outing Tuesday.

Tuesday morning the two field clubs held separate annual meetings at Ozaukee Country Club, then joined for luncheon and golf, concluding with a dinner and awarding of prizes.

Officers elected by the Wisconsin Fire Underwriters Association are: Warren D. Johnson, Springfield F. & M., president; W. W. Ferguson, Queen, vice-president; Victor A. Penn, Caledonian, secretary-treasurer; executive committee, J. F. Reilly, Home, retiring president, Carl G. Schaefer, National Fire, and Charles C. Blieffert, Fidelity & Guaranty.

Four new members elected were K. S. Sturtevant, Norwich Union; Al K. Forster, Sun; J. N. Brushingham, Globe & Rutgers, and W. E. Reeder, Crum & Forster. F. W. Edler, retired state agent of New York Underwriters, was given a life membership.

President Reilly reported activities of

## Women's New President in Insurance 13 Years

Mrs. Fern Harrington Anderson, new president of the National Association of Insurance Women, has spent her entire insurance career of 13 years with the Hannaford-O'Brien Co., St. Paul, which on July 1 is being consolidated with Marsh & McLennan.

She entered that agency when it opened for business, in 1932. She had had no previous insurance experience and neither had members of the firm so she had to learn the business the hard way. Starting as a clerk and stenographer, Mrs. Anderson was steadily advanced until she became office manager, a position she has held for several years.

#### Many Association Activities

Mrs. Anderson has been very active in association affairs. She is a charter member of the St. Paul Insurance Women's Club, served two terms as president and has been a member of the executive board. In 1942 she was general chairman of arrangements for the national women's association meeting in St. Paul and served one year as national treasurer. The past year she has been chairman of the budget and finance committee of the national and has also served on the employment and educational committees.

Mrs. Anderson also has been active in safety and Red Cross work and now represents the St. Paul club on the St. Paul Safety Council.

standing committees were defined with the assistance of the executive committee and committee chairman, which he said was a constructive idea that should serve as a guide to all future committees. He paid tribute to the efforts of J. M. Hutch, secretary-treasurer last year, who resigned early this year when transferred to the home office of Norwich Union, and to Mrs. M. B. Newendorp, office manager.

Thomas Larkin reported on SWIS, of which he has been chairman for the last three years. He said 890 inspections were made by 65 to 90 inspectors volunteered by stock and non-stock, association and bureau companies. Since OCD, the army and navy no longer are back of SWIS, the work may be turned over to the Wisconsin Fire Prevention Association to continue.

A number of guests who participated in discussions included Charles Dox, association past president, and C. L. Zook, western department of National Fire. Harold Martin, Wisconsin state agent Scottish Union & National before entering military service, who has just returned to civilian life, attended.

#### Insurance Club Reelects

At its separate business meeting the Wisconsin Insurance Club reelected these officers: Elmer Koepke, Northwestern National, president; Mrs. Helen Chapman, Millers National, vice-president; Irvin Frey, Firemen's, secretary-treasurer. Ralph S. Danforth, assistant secretary Millers National, took part in discussion of the insurance situation, current problems and the outlook for the remainder of the war and the postwar period. Carl H. Roggenkamp, Wisconsin state agent Ohio Farmers, was admitted as a member.

The Wisconsin Fire Prevention Association, which has been inactive during the war period because of so many field men participating in the SWIS program, probably will be revived soon. No formal meeting was held, but there was discussion among the men interested in prevention and inspection to revitalize the work.

## D. J. Cowie Is Named U. S. Manager of Pearl

### Branch Secretary Is Advanced to Fill Carlsson Vacancy

D. J. Cowie, branch secretary of Pearl, is to be the new United States manager to fill the position caused by the death recently of O. H. Carlsson. The announcement was made by H. H. Austin, managing director, who recently arrived in this country from England. Mr. Cowie has been acting as U. S. attorney since Mr. Carlsson's death March 2.

Mr. Cowie joined Pearl at London in 1923 as an attorney for the life department. In 1933 he was transferred to the fire department and in December of that year was assigned to the U. S. branch. He later was named investment manager in this country. He became branch secretary in 1940 and the same year was elected treasurer of the affiliated Monarch and Eureka-Security. Mr. Cowie is a fellow of the Institute of Actuaries in London and is an associate of the Actuarial Society of America. Mr. Austin is accompanied on his trip by J. M. Bonar, world wide fire and accident manager. Mr. Bonar was formerly manager at London of American & Foreign Insurance Association and has many friends in this country.

## Stock Company Association Closes Omaha Branch; Puts Territory Under Chicago

The Stock Company Association closed its Omaha branch office June 25. R. D. Voss, manager there since 1935, soon will announce his future plans.

The Omaha business will be handled out of the Chicago office under the direction of C. H. Dickinson. The Omaha branch has had jurisdiction over Colorado, Iowa, Kansas, Minnesota, Nebraska and North and South Dakota. Heretofore, the Chicago office has had jurisdiction over six states, so now it is directing activities in 13 states.

#### With Organization 10 Years

Manager Dickinson has been connected with the association since he joined the Detroit branch when it was opened in 1935. He was transferred to Cincinnati in 1942 and then to Chicago as manager when A. P. Morey died last fall.

He has been 28 years in the insurance business in Chicago starting with the John D. Corey Co. class 1 agency and later being connected with several other local agencies and also being a partner in a class 1 agency before joining Stock Company Association.

Miss Eleanor H. Wood has been appointed assistant district manager at Chicago. For some time she was acting in charge of the office during Mr. Morey's long illness and following his death.

At a meeting of the Indianapolis Association of Insurance Women, Ivan Pogue, Indianapolis salesman of the Pittsburgh Plate Glass Company, talked on the making and decorating of plate glass and W. A. Blackschaen, Maryland Casualty, on plate glass insurance.



Fern H. Anderson



D. J. Cowie

## Federal Reserve Policy May Aid Bank-Agent Program

### Restrictions on Consumer Credit May Be Continued After War

NEW YORK—Pressure of the Federal Reserve Board resulting in the retention of present restrictions on consumer credit granted for the purchase of automobiles and other durable goods after they begin to appear on the market should help promote bank financing of automobiles, with consequent greater opportunities for agents to handle insurance, according to those who are following this development.

Retention of present controls would help the banks in competition with

finance companies because the latter are in general more liberal in the length of the installment period and in the down payment requirements than the banks and the restrictions would put banks and finance companies on even terms as respects these two important factors. The present rule is a maximum term of 15 months and a minimum down payment of one-third. Before the war many finance companies liked 24-month paper on new-car sales and while one-third was the desired down payment this was frequently cut to 25% or even 20% in competition.

#### Indications from Federal Reserve

Indications that the Federal Reserve Board wants to keep the wartime restrictions on long-term credit are to be found in the current issue of the "Federal Reserve Bulletin." Reason for retaining present curbs is that when automobiles and other durable goods begin to reach the market there may be a rush of spending.

If consumer credit were permitted to augment this demand before goods are available in adequate amounts the pressure on the market would be excessive. It will be better, according to the "Bulletin," to preserve the unused credit capacity of consumers for the time after the first strong demands have been sat-

isfied, when support for a high level of production and employment will be needed.

While Federal Reserve Board officials have pointed out that the article is in the nature of an analysis of the situation and should not be taken as a statement of what the government will do, it appears obvious that there will be strong pressure to keep the present restrictions on consumer credit for some time after consumer goods become available. Retention of credit curbs, even though temporary, should be a distinct help in getting bank financing of automobiles off to a good start.

The manual on auto financing which the consumer credit division of the American Bankers Association is getting out was intended for publication the end of this month but it will probably be issued about the middle of July. The illness and recent death of Robert Umberger of the Industrial National Bank of Chicago was a factor in delaying the publication date, as he was one of the leaders in the development of bank-agent automobile finance plans.

Massie & Renwick, Toronto, has appointed **L. B. Barrans** inland marine manager. He succeeds **J. C. MacDonald**, who has entered his father's agency, **D. MacDonald & Co.**, Winnipeg.

## Erickson, Back on Job, Generates New Row; Pensas Resigns

Oscar E. Erickson has resumed office as insurance commissioner of North Dakota following the action of the state senate in failing to impeach him on charges of receiving "kickbacks" from agents through whom the state fire and tornado and the state hail fund placed reinsurance with private commercial companies and London Lloyds. **S. A. Olsness**, formerly insurance commissioner who had been appointed acting commissioner during Mr. Erickson's suspension, stepped out of office.

When Mr. Erickson got back in office, he appointed **C. J. Myers** "acting manager" of the hail insurance division. He had been manager of that division but was released by Mr. Olsness. To circumvent the provision of the law providing that the appointment of a manager of the hail division must be approved by the governor Mr. Erickson appointed Mr. Myers as "acting manager."

Gov. Aandahl promptly notified Mr. Erickson that he would not approve the appointment of Mr. Myers and Attorney General Johnson delivered an opinion that there is no distinction between manager and acting manager. State Treasurer Krueger said in view of the situation he would not accept vouchers drawn to Myers for salary or other vouchers signed by Myers.

Myers filed with the secretary of state certificate as "acting manager and chief clerk" of the division.

Subsequently Mr. Erickson withdrew appointment of Mr. Myers as "acting manager" on the theory that Mr. Myers is still manager. On the advice of his attorney, Mr. Erickson now contends that Mr. Olsness had no authority to remove Myers from office.

**T. J. Pensas** has resigned as actuary-examiner of the North Dakota department, apparently for reasons related to the unsettled conditions there. He was connected with the Minnesota department as examiner about five years until last year when he took the North Dakota position succeeding **M. R. Prenner**.

Mr. Erickson has appointed **Owen T. Owen**, Bismarck attorney, as deputy commissioner. Mr. Owen represented Mr. Erickson at his impeachment trial.

### Arkansas Cotton and Gin Rates Raised, Experience Bad

**LITTLE ROCK**—The Arkansas Fire Prevention Bureau has released a new cotton gin schedule, effective as of June 1, substantially hiking rates on gin properties and cotton products. A disastrous experience over the past two or three years made these general increases necessary, Manager **G. D. Suter** said. About three weeks ago, company representatives met with representatives of the Arkansas-Missouri Ginners Association and the fire forms committee of the Arkansas Association of Insurance Agents to discuss the schedules and to work out ways of reducing Arkansas' heavy loss ratio.

Mr. Suter said the Bureau is now changing all gin surveys in its offices and hopes to have all rates republished by July 21. The Bureau will again start regular inspections of all cotton gin premises. This was abandoned about three years ago because of personnel and travel problems. The bureau has employed one man who will devote his entire time to cotton gins and cotton products. The ginners association, Mr. Suter said, is cooperating.

### New Pacific Board Dwelling Tariff

The Pacific Board has issued a new "Habitational Occupancy Tariff," consolidating all rules on dwelling, household furniture and similar risks. This supersedes and annuls all circular pages in specific rate books and published rates dealing with risks in this class.

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## Argue Agent's Suit Challenging N. Y. Licensing Statute

Case Involves Represent-  
ative of American Farmers  
of Phoenix, Ariz.

NEW YORK—Efforts to show that the Southeastern Underwriters Association decision removed foreign insurance companies from state control, even under the police power, and that public law 15, though it says the states may continue to regulate, is really a moratorium on anti-trust prosecutions marked the argument of A. W. Arnold in supreme court in behalf of Charles Mendola, representative of American Farmers of Phoenix, Ariz., who is seeking to keep Superintendent Dineen from enforcing the state laws against unlicensed agents.

Mr. Arnold stressed the fact that the U. S. Supreme Court in the S.E.U.A. case unequivocally held insurance to be commerce. He contended that this decision placed insurance outside of the state's police powers. He pointed out that the dissenting justices, particularly Chief Justice Stone, said that the majority opinion would remove state supervision even as respects police power. He contended that the majority did not overlook the fact that their decision would deprive the states of authority over foreign insurance companies. As to the intention of public law 15 he cited passages from the debates in the House and Senate.

### Wagman Presents Defense

Abe Wagman, assistant New York attorney general, argued the case for the defense. Since there was no disagreement on the facts there was no jury, the question being solely one of law.

Mr. Wagman's argument took the line that under the S.E.U.A. decision the states are not deprived of their regulatory power, while public law 15 shows a congressional intent to have the states regulate foreign as well as domestic companies.

Citing passages from public law 15, Mr. Wagman contended that in it Congress had definitely stated that the continued regulation of the insurance business by the several states is in the public interest and that the silence of Congress on this point is not to be considered a barrier to state regulation, but that insurance shall be subject to the laws of the several states. He quoted from the report of the House judiciary committee on the purpose of the bill, which was to provide for the continued regulation and taxation of insurance by the several states.

### Two Purposes of Law

Mr. Wagman said that public law 15 had two purposes, first to make sure that no such attacks were made on state regulation as that made by the plaintiff in the case being argued and, second to provide a moratorium under the anti-trust laws. He remarked that the full majority opinion of the court in the S.E.U.A. case was quoted in his brief and said that while some phases of the business may be interstate and some intrastate, there is a wide range of activities in which the competing demands of state and national interest can be accommodated, as stated by the majority opinion.

Mr. Arnold had referred to the invalidating of Idaho's countersignature law by the federal court and drew a

(CONTINUED ON PAGE 23)



## DO YOU KNOW SOMEONE WHO...?...



Was Recently Promoted?



Has a New Baby?



Recently Moved to Town?



Has Become Engaged?



Is Making Good Money?



Has Just Married?



Is Thinking About Life Insurance?



Has a Promising Career?

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## NEWS OF THE COMPANIES

### Royal Head Office Figures for '44 Are Analyzed

Operations of Royal for 1944, together with its record of achievement over a cycle of 100 years, were reviewed in the centennial report issued by Chairman P. R. England on the occasion of the annual meeting.

"I wonder," he declared, "whether the founders of the Royal, which, in those days, transacted only fire and life business of very modest dimensions, could have visualized a time when it would be covering risks of a hundred different categories, transacting business in a hundred different countries, and settling losses in 50 different foreign currencies. Could they possibly have contemplated that by 1945 the Royal with its 38 associated companies (after absorbing 32 other insurance companies), would constitute the world's largest fire, accident and marine insurance group?"

"To mark the centenary the directors will recommend to the shareholders (at the extraordinary general meeting following the annual general meeting) that the remaining uncalled capital be paid up out of the company's reserves. For this purpose a sum of over £5 million will be required."

Fire premiums showed a net of £7,192,979 for 1944 as compared with £6,575,895 for 1943 and an underwriting profit of £450,360 (6.26%) as compared with £616,343 (9.31%) for 1943.

Some of the factors tending to make the transition period critical from the standpoint of fire risks are: adoption of fresh processes; use of new materials;

temporary inexperience of returning workers; use of old machinery; urge to speed production.

In the United States, Mr. England pointed out, fire premiums increased, with losses again higher, but expenses somewhat lower. Underwriting results produced a small loss and were affected to some extent by the hurricane in the eastern seaboard in September, and by the severity of the cold weather in December.

Accident and general premiums reached a record high with a total of £7,597,498 as against £7,087,514 for 1943. Underwriting profit was £640,757 (8.43%) as against £916,648 (12.93%) for the previous year. In motor insurance the wartime downward trend in income was arrested, and the amount of business transacted showed an increase.

In the United States casualty income showed a further rise and, while underwriting profit was somewhat lower than the favorable figures of recent years, it was nevertheless substantial.

Net marine premiums for 1944 totalled £2,434,441 as against £2,736,367 for 1943. The 1943 marine account closed with a profit which, after a large transfer to suspense account to provide for third and subsequent years' claims, amounted £516,000. The premium decrease of £300,000 is attributable mainly to reduction of war risk rates owing to the great improvement in the war situation and the contraction of the hull account due to the diminution in the number of vessels available for marine insurance.

#### Charter New Oklahoma Company

Midland Fire of Oklahoma City has been chartered by A. Waldo Stickle, B. G. McAlester and Robert N. Howard, all of that city, with capital of \$250,000.

Mr. Stickle is vice-president of Farm & Home Mutual. As soon as definite arrangements are completed, the company will apply for license to write fire insurance and allied lines.

### Gallagher Service Unit Manager of Planet

Eugene F. Gallagher, who has joined Planet as manager of the service department, has been with the Ohio Inspection Bureau since graduating at Ohio State University.

Mr. Gallagher has for some years served as acting chairman of the technical sub-committee of the inter-sectional committee, a country-wide organization for co-ordinating fire insurance practices.

With committee approval, he wrote the Report Manual, which for a number of years has been the guide for the preparation of underwriting reports throughout the country.

Mr. Gallagher prepared a report dealing with the problem of floods in fire underwriting for the National Board which was given wide circulation. In 1940 largely in recognition of this work Ohio State University conferred upon him the professional degree of civil engineer.

As superintendent of the public utility department of the Ohio Inspection Bureau, Mr. Gallagher has been called upon to serve on National Fire Protection Association's committees. At present he is a member of the field practice committee, electric railway committee,

and the trailers and trailer camps committee of N.F.P.A.

As a member of the insurance council of the American Management Association Mr. Gallagher has conducted sessions of that association.

He has just completed his administration as most loyal gander of the Ohio Blue Goose.

### Tuchbreiter Named Director

Roy Tuchbreiter, president of Continental Casualty and Continental Assurance, has been elected a director of Transcontinental and Franklin National of the National Fire group, succeeding the late Herman A. Behrens.

### Form New Pa. Insurer

Jefferson Fire of Washington, Pa., has been incorporated under the sponsorship of Washington County Fire of Washington, Pa., a mutual insurer.



E. F. Gallagher

## CHICAGO

### MATTHIAS BACK FROM ARMY

Lt. Col. Russell H. Matthias of the law firm of Ekmern, Meyers & Matthias, Chicago, who entered the army as a captain June 15, 1942, has received his discharge from the army and will again join his firm in the active practice of insurance law. In addition, it is expected that he will assist Herman Ekern as special assistant counsel in the federal crop insurance program in Washington.

### 140 AT ADJUSTERS OUTING

About 140 members and guests took part in the annual golf outing and dinner of the Adjusters Association of Chicago at Elmhurst Country Club. A. B. Kilburg, Cook County Loss Adjustment Bureau, as chairman, acted as master of ceremonies in distributing the prizes

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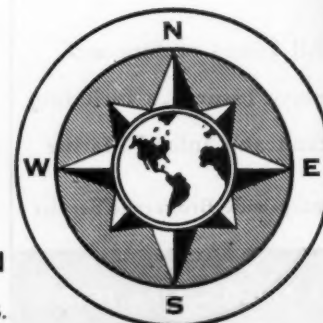
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following the dinner. R. J. Beattie, Western Adjustment, was the low gross winner among members and G. F. Packee was the guest with low gross. Frank Krause, Frank L. Erion & Co., was the low net winner among the members and Clarence Freeto, local agent, among the guests. Blind bogey was won by N. F. Wiley, Northwestern National.

Martin J. Powers, independent adjuster, the retiring president, was presented with a war bond. The new president is Eugene J. Powers, Underwriters Adjusting.

#### HAIL LOSSES NUMEROUS

Companies operating throughout the central west have been pelted with hail losses in every direction. The season has been an abnormal one, seemingly very conducive to development of hail. Inasmuch as properties are now as a general rule using the extended coverage, hail losses are covered. In some localities the hail did greater damage than usual, causing loss of some kind to almost every building. In addition to the hail, windstorms have been prevalent, although there have been no sweeping disasters. Loss departments are overwhelmed with detail work due to the large number of hail and windstorm losses.

#### IN U. S. WAR SERVICE

**Lt. Col. Richard Lynch**, one of the officers accompanying Gen. George Patton, Jr., on his visit to Los Angeles, now is spending a 30-day leave with his family there. He formerly was special agent in southern California for the Employers group.

**Capt. Clifford Love, Jr.**, formerly an adjuster with Fire Companies Adjustment Bureau in Nashville, has been awarded the air medal for meritorious achievement during heavy bombardment missions with the 8th air force.

**Cpl. W. E. Kirk**, who was with Western Adjustment at Hammond, Ind., is on furlough, visiting his parents, Mr. and Mrs. W. R. Kirk, Topeka, Kan. W. R. Kirk is head of the Kirk General Agency. Cpl. Kirk spent several months in Germany where he suffered an injury and was hospitalized in El Paso, Tex.

**Ensign George Guckenberger, III**, who before entering the navy was a member of the Barkdull & Guckenberger agency, Cincinnati, is recuperating at the naval hospital at Oakland, Cal., following injuries sustained when his ship was bombed by a Japanese suicide plane off Okinawa. Ten of Ensign Guckenberger's fellow officers were killed in the attack.

**Lt. (j.g.) James M. Barkdull, Jr.**, gunnery instructor at a naval air unit, is in a naval hospital at Philadelphia, following an operation for the removal of a kidney. Lt. Barkdull is the son of James M. Barkdull, Cincinnati local agent.

**Lt. Richard A. Perkins**, son of O. J.

### CASUALTY BRANCH MANAGER

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### Mass. Multiple Line Bill Signed; Effective Jan. 1

BOSTON—Commissioner Harrington's multiple line bill passed by the Massachusetts legislature has been signed by Governor Tobin and will become effective Jan. 1, 1946.

The act permits fire companies to write casualty lines, and casualty companies to write fire lines, permits reinsurance of all risks except life and endowment policies and permits the use of the personal property floater in Massachusetts.

#### MULTIPLE LINE BILL IN MO.

JEFFERSON CITY, MO.—A bill to permit Missouri insurance companies to write multiple line policies has been introduced in the house by Representative Hamlin of Jackson county. It proposes to amend the insurance laws, which now exclude multiple line writings. Under the proposed law all casualty and fire companies may write all lines except life, where a stock company has a fully paid capital of not less than \$400,000 or a mutual maintains a guaranty fund or policyholders surplus of not less than \$400,000.

**Perkins of U. S. Guarantee**, recently received the air medal for 100 operational flight missions in the Philippines. He spent 11 months on active duty in the South Pacific as a pilot in the 35th fighter group of the 5th air force. Lt. Perkins has returned to this country and is now director of instruction for the replacement training units at Shaw Field, Sumter, S. C. He was formerly with Chubb & Son. His engagement to Miss Marion E. McClellan of Mt. Vernon, N. Y., was recently announced. His brother, **Grant A. Perkins**, who is a member of a mobile unit of the 9th air force in Europe, has just been promoted from staff to technical sergeant. He has been overseas for two years.

**Robert W. Cizek**, who before entering the army air forces was special agent in Iowa for New Hampshire Fire, has been advanced to the rank of captain. He is located with the air transport command at Miami and has a part in the flying of 50,000 veterans to the United States each month under the army's deployment plan.

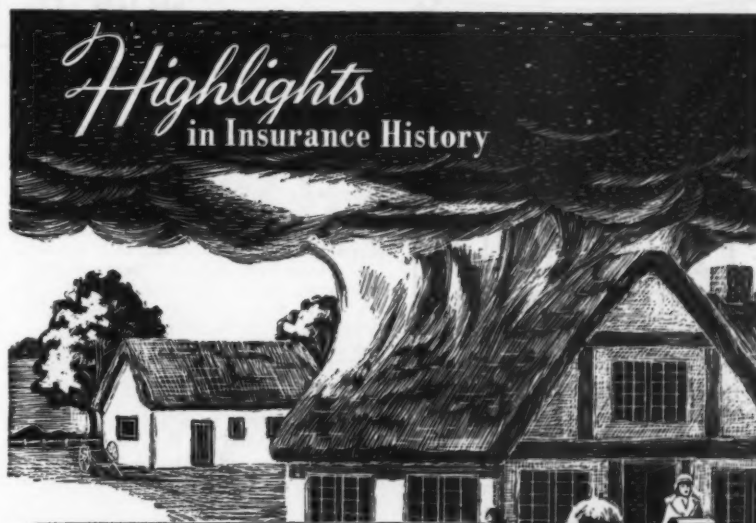
**Pfc. Donald R. Esty**, who before entering the army was a map clerk in the western department of London & Lancashire, has received a silver star citation for heroic work while in action in Germany March 27. He cleaned out a group of Germans in a dugout that were impeding the progress of his unit. He was attached to the 7th army.

**Orson E. Yeager, Jr.**, president and treasurer of Yeager & Co., Buffalo agency, has been promoted to major in the air forces.

**Capt. Thomas E. Sears** of the Sears Insurance Agency, Boston, who has been in charge of safety at the Rocky Mountain arsenal at Denver, has just been given the additional duty of supervising also the entire fire prevention and protection there. Capt. Sears' record in the safety division was one of the best in the chemical warfare section of the army.

**Pfc. R. H. Verrast**, 19, formerly an underwriter in the Detroit branch of New Amsterdam Casualty and United States Casualty, has been awarded the Purple Heart for a wound received in action on Luzon. He is hospitalized in the Philippines.

The three partners of **Eugene Wilson & Co.**, Bardstown, Ky., agency, celebrated 25 years of association with a party arranged by field men at the farm of L. P. Hubbard, one of the partners. The other partners are S. R. Damaree and T. B. Nichols. The agency is 63 years old and was acquired by the present owners in 1920. It is an exceptionally large agency for a town of less than 3,000.



### Highlights in Insurance History

Thatched-roof houses used to be one of the headaches of early English city officials. In 1302 a man was forced to pledge all of his "rents, lands and tenements" to indemnify the City of London from fires which his thatched-roof houses might start. This arrangement was to last until he could get his houses covered with tiles, which he hoped to do "by the next Feast of Pentecost."

This awareness of property rights of others which has long been necessary for city dwellers, has caused many fire insurance policies to be written.

The NATIONAL UNION and BIRMINGHAM FIRE INSURANCE COMPANIES have a wide range of coverages, including Fire, Tornado, Aircraft Damage, etc., to lessen the hazards of present-day city life.

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## NEWS OF FIELD MEN

### Webster, Cook Head Mo. Field Groups

ST. LOUIS—Tilford G. Webster, state agent of Home, St. Louis, was elected president of the Missouri Fire Underwriters Association at its annual meeting here. Vice-president is Orrin D. Cox, American, Kansas City; secretary-treasurer, L. B. Gribble, Royal, Kansas City, and assistant secretary, Miss Agnes L. Murphy, Kansas City.

Members of the executive committee are Thomas F. Collins, Connecticut Fire, St. Louis; Robert L. Bolling, Sun, St. Louis; Earl A. Spink, Fireman's Fund, St. Louis; Fred S. Slagle, Automobile, Kansas City, and O. P. Rush, vice-president Kansas City Fire & Marine.

George P. Cook of Kansas City, state agent of Providence Washington, was elected president of the Missouri Fire Prevention Association. Vice-president is Arthur L. Corey, Travelers Fire, St. Louis; secretary, Robert L. Bolling, Sun, St. Louis; executive committee: Earl V. Neuberger, Springfield F. & M., Kansas City; Walter E. Steffy, Commercial Union, St. Louis; George J. Seibold, America Fore, St. Louis; Paul W. Terry, Missouri Inspection Bureau, St. Louis; Lester B. Eipper, St. Paul F. & M., St. Louis, and Clyde L. Tindall, Firemen's, Kansas City.

It was voted to continue the publication of the official paper, "Highlights," of which L. S. Poor, assistant manager Missouri Inspection Bureau, is the editor. To assist Mr. Poor, a group of contributing editors has been named.

### Barnett Has Ga., Meacham, Fla., for Springfield F. & M.

The Georgia-Florida field, which has been operated as a unit by Springfield F. & M., has now been divided. Thomas F. Mahone, who formerly supervised that field has resigned. Georgia is now under the supervision of Special Agent Roy T. Barnett and Florida is being supervised by Special Agent Hudson P. Meacham.

Mr. Barnett will be located at the First National Bank building, Atlanta. He was formerly with A. H. Turner of Atlanta. Mr. Meacham, who was formerly with Mills & Whitner, Jacksonville general agents, will be located at 26 Wall street, Orlando, Fla.

### R. P. Goodloe Is New Head of Florida Blue Goose

R. P. Goodloe, manager of Florida Inspection & Rating Bureau, was elected most loyal gander of the Florida Blue Goose at the annual meeting at Timuquana Country Club, Jacksonville.

Honor guest of the meeting was Malcolm McCrory, Jr., who has just been released from the army air corps as a pilot of a B-24 bomber, completing 54 missions over Germany. George Edmondson of Tampa, grand custodian, was present.

The new supervisor is O. W. Houston, North American; custodian, Sam Myrick, Home; guardian, S. G. White,

### Brushingham Takes Over in Wisconsin

J. N. Brushingham has taken over supervision of Wisconsin for Globe & Rutgers and State of Pa. with headquarters at 210 East Michigan street, Milwaukee. Mr. Brushingham has been Illinois state agent. He is now relinquishing supervision of the southern part of Illinois but will continue to look after the northern Illinois territory as well as Wisconsin. The change was made in view of the fact that J. W. Doran, who has been supervising operations in Wisconsin during the absence of E. H. Shoemaker, Jr., and W. F. Bissett in military service, is leaving the insurance business. It will be some time before Mr. Shoemaker or Mr. Bissett are released from the services. Mr. Doran has been with G. & R. since it was reorganized. Previously he was with F. & G. Fire.

Bradfield & Rhudy General Agency; keeper, H. P. Meacham, Springfield F. & M.; wielder, J. Q. Hedgepeth, National Union.

Top golf winners were R. H. Wilson, Hartford Fire; A. W. Roberts, Phoenix of Hartford, and Mr. Houston.

Memorial services were conducted by Mr. Meacham. Moving pictures of the army air corps were shown.

### St. Paul F. & M. Names Swanson Indiana Manager

St. Paul Fire & Marine has appointed D. W. Swanson manager for Indiana, with headquarters at 1128 Circle Tower, Indianapolis.

Until recently Mr. Swanson represented St. Paul at Albany, N. Y., and previous to that he was at Milwaukee for the company. State Agents L. G. Bergeron and Holmes B. Raine and Special Agent P. A. Hohman will continue in their respective fields in Indiana.

### Seattle Pond Elects; Plan for Grand Nest in 1949

Loyal T. R. Snyder, vice-president of Frank Allyn, Inc., was elected most loyal gander of the Seattle Blue Goose at the annual meeting. George W. Clarke, Clarke & Clarke, is supervisor; G. A. Warburton, Geo. C. Newell & Co., custodian; H. O. Price, Gould & Gould, guardian; D. C. Husted, Arthur E. Campbell Co., keeper, and Alvin C. Tregoning, Security of New Haven, wielder. Four candidates were initiated.

According to the usual procedure, Seattle would entertain the grand nest in 1949, when Grand Keeper E. W. Trenbath would become most loyal grand gander. It was decided to levy an annual assessment of \$2.50 on each member, the funds to accumulate to meet grand nest expenses.

Mr. Snyder was elected delegate to the grand nest.

Memorial services for Fred G. Clarke, attorney for the National Board, and John A. Young, London Assurance

## Next in Line

R. J. Harmon, who last week was elected vice-president of the Illinois Fire Underwriters Association, and is therefore in line for the presidency next year, has been in the Illinois field since 1936 with the Home fleet as associate state agent. Previously he was in Indiana for 13 years with that company.

Following his graduation from Purdue University he went with the Indiana Inspection Bureau where he remained for 10 years. He has served on the executive committee of the fire underwriters association for the past two years.



R. J. Harmon

special agent, were conducted.

G. Emory Moore, outgoing most loyal gander, was presented a gift. The past most loyal gander pin was presented by Arthur E. Campbell.

E. E. Collins won the A. Z. DeLong Memorial Cup for low net score at the golf tournament.

### Fete Fraizer and Matzke

OMAHA—The Nebraska Blue Goose at its luncheon Monday honored C. C. Fraizer, the outgoing insurance director of Nebraska and Stanley G. Matzke, the incoming director.

On July 2 about 50 Blue Goose members will be guests of the Barkham-Nebraska Co., makers of B-29 bombers, in an inspection tour. This will be the last Nebraska pond activity of the season. Meetings will be resumed Sept. 10.

### New Coast Tariff Explained

LOS ANGELES—William Lindsey, supervisor of the Pacific Board at a meeting of the Southern California Fire Underwriters Association gave an extensive review and explanation of the new "habitational tariff" adopted by the board and answered questions for more than an hour.

### San Francisco Pond Elects

New officers of the San Francisco Blue Goose elected and installed Monday night are: Frank J. Ingersoll, National Automobile Theft Bureau, most loyal gander; Paul B. Schlosser, Phoenix Assurance, supervisor; Charles W. Rogers, Fire Association, custodian; Sig Arndt, Finn, Smith & Medcraft, guardian; J. Brooke Lamkin, Commercial Union, Fresno, keeper. A number of new members were initiated.

### Creighton Has Eastern Shore

State Agent Edward W. Creighton of Philadelphia is assuming supervision of the eastern shore of Maryland for Phoenix of Hartford. Mr. Creighton, a graduate from the home office, has been associated with the Phoenix group for many years in Maryland, New Jersey and Pennsylvania.


### A. W. Henry, Jr., in New Post

A. W. Henry, Jr., Cleveland, has resigned as special agent for Phoenix of Hartford to join Atlantic Mutual.

### Pacific Northwest Rally July 20

The Special Agents Association of the Pacific Northwest will hold its semi-annual meeting at Portland July 20. The Oregon division will be host to the Western Washington division. The annual golf match will be played at the Oswego course. Walter R. Fritz, Fire Association, will preside at the banquet.


Prior to the Portland session, the Western Washington special agents will hold a meeting in Seattle July 18



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to consider business of a local nature, followed by a dinner.

Keith Rhodes, Home, is president of the Oregon division and Terry A. Hill, North America, heads the Seattle group.

## Monsanto to La. Field Post

Home has promoted H. C. Monsanto, formerly an examiner at the head office, to special agent at New Orleans.

Mr. Monsanto has been in close contact with business in Louisiana through his position as examiner for the past 20 years.

He will be under the direct supervision of State Agent Ward Sykes and he will make his headquarters in the Hibernia Bank building.

## Sinclair and Costello Change

LOS ANGELES—K. B. Sinclair, special agent of the Dubuque F. & M. group at San Francisco, has been transferred to Los Angeles. He is associated with State Agent Norman T. Horsburgh. Mr. Sinclair succeeds E. F. Costello, who has been appointed head of a new office of the group being established at Seattle. Alfred O. Graven, Pacific Coast manager, and Mr. Costello now are in Seattle completing arrangements for the new offices.

## Harris Entering Agency Field

E. E. Harris, special agent, who has supervised the business of the National Fire group in Arizona and southern California for several years, has resigned and plans to enter the local agency field. No successor as yet has been named by E. R. Hindley, Pacific department manager.

## Ray Heads Tenn. Blue Goose

NASHVILLE—Felix C. Ray, Aetna Fire, was elected most loyal gander at the annual meeting of Tennessee Blue Goose. Other officers elected are: J. M. Sims, D. Cliff Jones agency, supervisor; C. F. Zehnder Jr., Zehnder agency, custodian; W. E. Bethshares, North America, guardian; Glenn Glover, Home farm department, keeper, and J. L. Dorris, Great American, welder.

At a dinner meeting six new members were initiated.

## Alamo Blue Goose Elects

The Alamo Blue Goose of San Antonio has elected H. G. Reinhackel, America Fore, most loyal gander; W. L. Gravely, Home, supervisor; C. F. Nichols, Nichols Adjustment Service, custodian; W. C. Storch, Traders & General, guardian; Don Caldwell, Loyalty group, keeper; P. J. McLeomore, North British group, welder.

Four candidates were initiated.

Will A. Jordan, Jr., Virginia special agent of Royal group, is back in the field after several weeks in a hospital in Richmond recovering from the effects of a major operation.

## Lorber Movie Insurance Head

Universal Pictures has appointed Ben Lorber as manager of insurance affairs.

Mr. Lorber joined Universal in 1928 and for the past seven years has managed the home office insurance department. In his new position he will administer all insurance affairs for the entire organization.

Mr. Lorber will continue to make his headquarters at New York. He has been in Hollywood reorganizing the studio's group insurance plan.

## Bomb Balloons Cause No Scare

SAN FRANCISCO—The release by the government of news of the Jap bomb balloons has caused no increase in sales of War Damage Corp. insurance so far as can be ascertained. In permitting the news to be published the government emphasized that the bombs were not doing any great damage, and very few if any property owners that are not now carrying war damage insurance, were scared enough to buy it for protection against Jap bomb balloons.

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One of the largest powder plants in this country is at present producing tons of the new Rocket Powder under the protection of "Automatic" FIRE-FOG systems. One division of this factory alone averages 185 fires each day—over 5,000 fires every month! "Automatic" FIRE-FOG systems of protection put a torrent of water on these blazes within a half second of their inception, usually extinguishing them within five seconds. Most important, there are no injuries, no machinery damage, and often much of the powder remains unburned. Production at the powder rolling machines is restored within a matter of minutes.

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## Hints for Business Concern in Buying Coverage Are Given

ST. LOUIS—The first investment in insurance protection by a manufacturing concern of medium size should be in coverages that are vital to the life of the enterprise, Arthur A. Gordon, vice-president of the Lawton-Byrne-Bruner agency of this city told the St. Louis Insured Members Conference of the Associated Industries of Missouri at a meeting Tuesday.

The first definite step is to determine the type of insurance company wanted, whether stock, mutual or reciprocal, considering also size and reputation. Second, select an agent on much the same basis as picking out a personal physician, surgeon or attorney, a man with knowledge of the business, personal integrity, standing in the community and companies he represents. This agent is important, for he must serve as the representative of the insurance buyer.

The next step is to determine the kinds and amounts of insurance that

must be secured. A survey should be made by buyer and agent, independently, and these surveys compared before final decision is made. It is absolutely necessary to have adequate protection against fire, windstorms and use and occupancy in most instances, Mr. Gordon said. Parcel post, neon sign and other protection can come later.

Automobile liability covering both personal injury and property damage should be bought before auto fire, theft or collision. Fire protection is relatively more important than sprinkler leakage.

### Book Values Not Safe Guide

Book values are not a safe criterion on which to base purchase of insurance because of higher replacement values that exist today, he said. The only safe basis is actual replacement cost less a reasonable depreciation.

Mr. Jordan was asked if it was possible to secure insurance for the full value of the property without any depreciation deduction, and he replied that he understood the Factory Association companies have been considering writing such coverage on an agreed amount basis, and there is a possibility it soon may be made available to manufacturing and commercial concerns that are eligible.

He suggested comprehensive liability forms be employed but warned that even this broad form of protection is not all-inclusive. The buyer should confer with his agent to square the liability protection against individual requirements. In buying products liability it is well to remember that for only slight increase in rates much higher limits of protection may be secured. In boiler coverage the broad forms should be used, especially in view of the difficulty of purchasing repair parts under existing conditions.

## What Is Binder? Is Question in Va.

RICHMOND—Puzzled by different interpretations of existing rules governing binders, the Virginia corporation commission held an informal conference Monday with fieldmen and local agents to consider just what a fire insurance binder is, how it works, and what rules should be promulgated for the more effective regulation of binders in Virginia. The session was an outgrowth of two cases now pending before the commission. One involves the law governing renewal of a binder. The other involves the complex question of whether a binder is legally a fire insurance policy, whether it is a contract of insurance or just what it is.

The plan is for the Virginia department to prepare new and definite regulations governing the issuance of binders, which will then be submitted to the commission for approval, rejection or modification.

As a starting point for the conference, the department presented a model set of regulations approved by the zone meeting of the National Association of Insurance Commissioners at Columbia, S. C., in May. The model follows the rule now in effect in West Virginia, whereby a 15-day limit is set upon all binders. The regulations also cover premium charges, short rate cancellation and other aspects of the subject.

The rules to be proposed by the Virginia department would apply only to binders written in the future and would not be retroactive.

### Inland Adjusting Course

The Insurance Society of New York has announced a course in inland marine adjusting, to be given in the fall. The class will be limited to 35 and no one will be admitted unless he has already had the society's course in inland marine insurance or its equivalent. It is strictly a course in adjusting and a thorough knowledge of the contracts is required as a prerequisite. F. G. Forrow of Atlantic Mutual is chairman of the committee.

## Fete Manchester, 60-Year Veteran

CLEVELAND—A large group of insurance friends tendered Harry R. Manchester a complimentary luncheon on the occasion of his 60th anniversary in the insurance business. All those present spoke in highly complimentary terms of his long years in the business, and particularly of his success, and the ethics



HARRY R. MANCHESTER

and standards which he has maintained.

Mr. Manchester has been in the business since 1885 and in 1907 organized and headed the James & Manchester Co., of which agency he is now chairman.

Mr. Manchester was a member of the executive committee of the National Association of Insurance Agents for several years, and was president of the Insurance Board of Cleveland in 1904-05 and again in 1931-32, and he was also vice-president in 1928. He has also served as a trustee of the Insurance Board of Cleveland for a number of years.

During past years Mr. Manchester has traveled extensively and because of his globe-trotting experiences he was presented with a large illuminated globe of the world.

## Cravens, Dargan Gets Out 3 Regional Publications

Cravens, Dargan & Company is now publishing three house organs. Several years ago they began publishing two editions of the "Review," one for the Texas territory and another for the Pacific Coast territory. Now, with their entry into Oklahoma, New Mexico and Louisiana they publish the third edition, called the Southwestern.

Cravens, Dargan expresses the belief it is the first insurance business institution of any kind to publish regional house organs.

## Ohio High Court Writes Finis to Transit Case

The Ohio supreme court has now released its opinion upholding the decision of the common pleas and appellate courts finding that Cleveland Transit System was within its rights in placing its insurance with Firemen's Mutual. The supreme court in April made an entry of affirmance to indicate that it had reached a decision. A suit challenging the validity of the C.T.S. insurance program was brought in the name of Charles D. Burt, former cashier of the Cleveland Insurance Agency, two years ago.

The supreme court action was in the form of overruling a motion to certify the record in the case. The court has upheld the opinions of the common pleas and appeals courts and held in effect that

## Indicates Why Consent Decrees Are Poor Bargains

WASHINGTON—Reasons why a consent decree can be expected to be a poor bargain for the defendant in an antitrust case, and which may throw some light on the consistent coolness of the fire insurance people toward the consent decree idea in the Southeastern Underwriters case, are to be found in the writings of Wendell Berge, assistant United States Attorney General.

Contributing to a symposium on antitrust laws in the winter, 1940, issue of "Law and Contemporary Problems," published by the Duke University Law School, Mr. Berge indicated that the government likes consent decrees when it stands to get more by that route than by a criminal action or civil suit. On this point his article states:

"The government may feel that its case is vulnerable in certain respects and that the decree which the defendants have submitted gives substantially all the relief that can be hoped for. The government, therefore, may feel that acceptance of a proposed decree is warranted even though there is a theoretical chance that more relief could be secured by going through a trial..."

In the foregoing reference Mr. Berge was alluding to civil suits where no criminal case is pending. As for those obtained while a criminal action is pending, he points out that it is not enough that the parties indicated merely promise never to break the law again. He adds:

"The only consent decrees which the department is willing to consider during the pendency of a criminal trial are those containing provisions for affirmative public benefits which could not be secured by the criminal proceedings alone."

A consent decree can only be obtained in connection with a civil suit but the latter can be substituted for a criminal proceeding.

a municipality may insure with a factory mutual or an assessment type mutual insurance company and that a premium deposit made to a factory mutual is not a deposit of funds with a banking institution or similar organization, such as must comply with the depository statutes of Ohio.

Burt filed suit as a taxpayer. He charged, among other things, that a municipality cannot legally insure its properties in a mutual company of the assessment type; that the bidding was not truly competitive, that certain provisions of the Cleveland city charter had been violated; that a premium deposit with a factory mutual company was equivalent to making an unauthorized bank deposit.

The insurance had been written with Firemen's Mutual for 30 years before the city railway system had been taken over by the city in 1942.

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## N.F.P.A. Holds "Legal" One Day Annual Parley

BOSTON—The annual meeting of the National Fire Protection Association was held here in skeletonized fashion Tuesday. It was simply a gathering of officers, directors and committee chairman.

R. E. Vernor, manager of the fire protection department of Western Actuarial Bureau in his presidential message expressed the hope that the 50th anniversary of the organization next spring may be the most significant meeting in history. Mr. Vernor observed that in the last 12 months in this country fire destroyed more property than was ruined in England during the first two years of the German blitz. That record includes the Hartford circus disaster and Cleveland gas explosion and fire. Much of the loss could have been avoided by adherence to the technical standards developed over the years by the N. F. P. A. committees and by greater emphasis upon education of the individual as to the real dangers of the common fire hazards.

On the other hand, he said, there has been great use of the standards and recommendations and educational material of the N. F. P. A. and had it not been for the association's efforts the picture would have been much blacker.

### Gain of 1,000 Members

There has been a net gain of more than 1,000 new members and total membership is now about 9,700. Membership expansion should always be emphasized, as in that way the influence of the association becomes more extensive.

The total contributions for the endowment fund amount to more than \$26,000. There are 1,200 fire departments and 18,000 individuals enrolled in the volunteer firemen's section.

The public relations committee is considering a number of projects such as getting fire safety messages on watch covers, fire safety manual for club women, public relations manual for fire chiefs, possible design of a new N. F. P. A. symbol and procedures for publicizing the 50th anniversary.

General Manager Percy Bugbee in his report pointed out that the country is drawing toward a period of tremendous activity in building construction and city planning. The N. F. P. A. has a great responsibility to influence the direction in which this development goes. Emphasis should be placed on the proper spacing of homes to reduce conflagration hazards and to build the homes with fire safety as an integral part of the scheme. The wooden shingle roof must be outlawed, interior finish materials must be reasonably fire safe, fire stopping of walls must be made universal practice, heating plants and chimneys must be

safely designed and constructed and electric wiring must be adequate and safe.

An immediate problem is the proper fire protection of surplus property to be stored until distribution is completed. The various agencies interested in the disposal problem have not shown any inclination to follow an overall policy.

The problem of smoking has multiplied during the war and every effort should be made to see that smoking is prohibited in unsafe areas. High officials of A. F. of L. and C. I. O. have given assurances that smoking in hazardous locations will not be tolerated by the unions. Employers should get it out of their heads that they are doing a favor to workers by permitting them to smoke in hazardous places.

The elimination of fire prevention and inspection programs by fire departments has contributed to the increase in losses. This service must be rebuilt as soon as possible. Mr. Bugbee spoke with satisfaction of the recognition of fire prevention engineering as a profession by the adoption of a sound and standard definition of it by war manpower commission.

The N. F. P. A. expects to be of constantly increasing service in all parts of the world.

The present officers were reelected. C. C. Johnson of New York and E. O. Shreve of Schenectady will continue as vice-presidents. Hovey T. Freeman of Providence and George W. Elliott of Philadelphia will remain as secretary-treasurer and board chairman respectively. A. L. Brown of Boston, C. C. Hannah of San Francisco, H. E. C. Rainey of Washington, Lloyd T. Wheeler of Atlanta, and Chief Anthony J. Mullane of Chicago were named to the board of directors for three years.

The directors acted on reports of committees. Reports of the explosion venting, farm fire protection, fire prevention and clean up campaign and protection of records were adopted.

Division 2 of field practice report was referred back and other divisions adopted; finishing processes report was referred back to committee; the manufacturing hazards council report was referred to the board with power to act, adoption being deferred, the report to be published and distributed to members; action on gases was deferred pending agreement of industrial committee and approval of gases committee; the safety to life report was adopted except section 10 which was referred back to committee.

Special extinguisher systems report was adopted with tentative action on section 3 as to water spray.

Committee reports on aircraft crash fire fighting, fire pumps, firemen's training, general storage piers and warehouses were accepted.

It was recorded that 52 members had died during the year. Boston was tentatively selected for the place of the 50th annual meeting next spring.

### Automotive's Surplus Contribution

LOS ANGELES—Automotive of Los Angeles, formed by automobile dealers here to secure coverage under open stock policies on their second hand car lots, which they had been unable to obtain, has been authorized by the California department to issue a certificate of contribution to certain stockholders for \$97,500, to be added to surplus.

It was licensed last September with \$270,000 capital paid in. It is understood that high loss ratios and unearned premium reserve requirements have caused a rather heavy strain on its finances.

### Hartford 25-Year Club Elects

W. S. Vanderbilt, secretary of Hartford Fire, was elected president of the company's 25-year Club at its annual meeting. C. S. Kremer, president of Hartford Fire, addressed the meeting, at which George E. Marsh, auditor and outgoing president, presided. The club now has a membership of 76.

Among the guests were Vice-Presidents John L. Barter, Addison C. Posey, A. W. Spaulding and Wallace Stevens

of Hartford Accident; C. H. Smith, vice-president of Hartford Fire in charge of the western department at Chicago, and Robert MacKinnon, underwriter in the Philadelphia office.

### Stauts Heads Employes Group

Lester J. Stauts, executive assistant in the financial department of North America, has been elected president of the North America Companies Association, an organization of employes. He has been with the company for 23 years.

Charlotte Burke and Philip J. Baker are vice-presidents; Jeanne Entwistle, secretary; and W. C. Geyer, treasurer.

### Ohio Tax Bill Dead

COLUMBUS—With the 2% premium tax bill held up in the rules committee of the Ohio house, the insurance committee of the senate Tuesday postponed indefinitely action on the companion measure there. With the legislature set to adjourn this week, even if the bill were passed by the senate there was no likelihood that it would get through the house. Life insurance executives and other insurance representatives were on hand.

Gordon Renner of Cincinnati, a member of the house, appeared in opposition

to the fire and windstorm rating bill, but the committee decided not to reconsider its former action by which it recommended the bill out for passage. Rep. Renner said the rating bill would place too much power in the hands of the superintendent of insurance in the matter of fixing insurance rates.

### Montreal Institute Elects

G. S. Murray, Guardian of Canada, has been elected president of the Insurance Institute of Montreal, succeeding A. Campbell. Vice-presidents are Benoit Bertrand, Sun, and W. G. Child, Great American. R. W. Coutts, North British, is secretary and A. T. Cunningham, Phoenix of London, treasurer.

### Kenneth Thompson Resigns

Kenneth Thompson has resigned as assistant manager of American of Newark at Toronto after seven years of service. He formerly was with Union of Canton and Ocean Accident.

### J. W. LeMessurier Advanced

Commercial Union has appointed J. W. LeMessurier of the Toronto office fire superintendent for Ontario.

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## EDITORIAL COMMENT

### President Osmena Is Good Picker

President Osmena of the Philippines is a good picker. In his selection of Louis H. Pink as special adviser to the Philippine government in the recreation of the insurance establishment in the Philippines following the Japanese occupation, he has made certain that this formidable task will be accomplished expeditiously and wisely.

Mr. Pink's leadership and judgment is of the highest quality. He possesses im-

agination. He is a practical idealist. He is thoroughly grounded in insurance principles and has a legal background. He is a humanitarian and is skillful in personal relationships. The contribution that Mr. Pink will make in the way of aiding in the reestablishment of the great intangible insurance service will rank along with what the United States does to aid in the physical rebuilding of the islands.

### Long Range Contest

The organized local agents and most at least of the influential agency companies are committed to the bank-agent program as a means of consolidating as far as possible the gains that the war has brought to the individual agent and to the individual car insurer. There are still plenty of skeptics. And no one is going into the campaign with any idea that it is to be a pushover. Perhaps that is an encouraging fact. There is no disposition to underestimate the strength of the competition. It is sound tactics to take the measure of the adversary, but it is also sound to face uneven odds with courage and determination and not to permit skepticism to degenerate into defeatism.

Company executives and critical agency leaders who have decided to engage in this campaign wholeheartedly, are convinced that the long-range view must be taken. They recognize that at the outset the automobile dealer will be in a position to dispense cars even more imperiously than the cigarette girl today selects those that are to receive her merchandise. He will be in a position to sell cars to those who will let him arrange the financing and insurance and deny cars to those that want to make their own arrangements. Hence, there is the danger that the local agent who decides to give this bank-agent thing a whirl and goes out aggressively with

high expectations, may soon become discouraged and throw in the sponge. Probably in this undertaking it will be the second wind that will count. If there are to be rewards they probably will not come in substantial measure until the car buyer is again able to look them over and when it is necessary for the salesman to call for the manager to help put across a sale.

The success of this campaign depends upon consistent, continued participation in it by a large segment of the local agency forces and with aggressive support by the companies. The banks and insurance companies will be the ones to supply the advertising, the literature, the motivation and the encouragement, but it will be up to the individual local agent to do the personal, individual work. Some observers believe that in the smaller cities where by and large the personal relationship between the agents and the customers is closer the program is more likely to succeed than in the larger cities where the relationships may be more impersonal. In any event, the personal element is likely to prove all-important. And the best opportunity seems to lie with those clients with whom the agent is on easy terms and whose confidence he enjoys. It is a contest that is well worth entering and keeping at at least until the results can be reliably appraised.

### Can Use a Lot of Education

The real test of the insurance industry's ability to educate and train will come soon in getting former employees and agents back into the business quickly and successfully and inducting new personnel that is needed. The business feels an admirably keen sense of responsibility in this regard to those who have been in service.

The attention the insurance business is now giving to the problem may result in an excess supply of training and education, which is all to the good.

Those in the business can always use more training and those entering it can hardly have too much. In addition it avoids the danger of too little. Other businesses have educational plans for attracting people who have been in service or war work, so that it is only with a sound educational scheme that insurance can compete for those who will be coming back into the business in the next two or three years.

Perhaps in no period of comparable length in the history of the business

have so many changes occurred since Pearl Harbor. These changes have taken place in almost every line. There are general changes of great significance, many of them growing out of the S.E.U.A. decision. Beyond this there are significant economic changes occurring ahead and with these the people on the home front may not be any more familiar than the new or returned insurance men.

A good educational course is perhaps the only answer for the knotty problem of the employe of an agency or company who left as a \$100 or \$150 a month clerk and returns after experience as a captain or major in service. There is needed a means of getting him back into the business and ready for promotion as promptly as possible. The business badly needs new blood in produc-

tion. Many of those who will return are equipped so far as personality and general character seasoning is concerned to take over such work, but they will need as much insurance training as they can get.

A number of companies have insurance courses, home office schools or correspondence courses, or both, for employes and agents. These courses are excellent and extremely helpful. However, local courses will also be needed for agents or agency personnel. The National Association of Insurance Agents' courses will aid greatly. Universities and colleges are planning refresher courses, or conferences, or institutes, of varying length.

The insurance business, as has been said, is a school from which no one ever graduates.

## PERSONAL SIDE OF THE BUSINESS

W. S. Hukill, dean of Cincinnati local agents, is recuperating at Christ Hospital where he underwent two operations.

Stewart B. Hopps has been elected chairman and president of International Utilities Corp. to succeed the late Cecil P. Stewart.

Mr. Hopps was for many years associated with Mr. Stewart, having served as vice-president of American Merchant Marine Ins. Co. in 1928 when that company was under the active control and guidance of Mr. Stewart.

During the long illness which preceded Mr. Stewart's death, Mr. Hopps acted as substitute and proxy for him on International Utilities, Securities Corporation General, General Water Works, Gas & Electric, and other boards.

Mr. Hopps is also chairman of William Penn Fire, president of U. S. Marine & Foreign Securities Corp., chairman executive committee Securities Corporation General, director Rhode Island Ins. Co., director Towne Street Realty Co., trustee of the Holmquist School and other companies.

Mr. Hopps was also elected chairman and president of General Water, Gas & Electric Co.

Arthur C. Broderick, a veteran of the Commercial Union group, has retired. Mr. Broderick has spent his entire business career with that organization. Starting in 1893 in a junior capacity, he advanced through the various office and field positions to general agent in charge of Texas operations. He has held that position for more than half of his 52 years of service.

Walter C. Ploeser of Ploeser, Watts & Co., St. Louis, congressman from the 12th Missouri district, is a member of a congressional delegation now in Chungking, China.

George H. Duxbury, assistant U. S. manager of North British, and Mrs. Duxbury have announced the marriage of their daughter, Marilyn Ann, to Apprentice Seaman Hudson Jennings Wilson, Jr., U. S. N. R. He is a student at Cornell medical school.

W. T. Benallack, who retired recently as secretary of Michigan Fire & Marine after a lifetime in the fire insurance

business, and Mrs. Benallack held open house at their home at Grosse Pointe Farms in celebration of their golden wedding anniversary. Many insurance men participated or sent felicitations. Present for the event were their only son, W. T. Benallack, Jr.; their daughter, Mrs. A. B. Hilton of Beverly Hills, Cal., and their two grandchildren, A. D. Hotchkiss, Jr., now stationed at Boca Raton, Fla., and Fred T. Hotchkiss, attending Hotchkiss School at Lakeville, Conn.

For his outstanding services to the Blue Goose, Mr. Benallack has long been known as the "first citizen of Blue Goose" and the special title of "great grand gander" of the order has been proposed for him. One of the founders of the order, he has missed but one meeting of the grand nest since its formation in 1906.

Ambrose B. Kelly, secretary-manager of American Mutual Reinsurance, who is now serving in the navy as a lieutenant in Washington, recently underwent an operation and is now fully recovered and back on the job.

W. F. Ehret, America Fore state agent at Wichita, and Mrs. Ehret celebrated their 25th wedding anniversary at Wichita Wednesday. Mr. Ehret joined his company some 28 years ago and has been in Kansas about 10 years.

Commissioner James M. McCormack of Tennessee, president of the National Association of Insurance Commissioners, who underwent an operation for inflammation of the bladder at Mayo Clinic, Rochester, Minn., is recovering satisfactorily and expects to be able to return to Nashville about July 10, according to word received at his office there.

Otto A. Soergel, adjuster for the companies at Chicago, will retire July 1 after 52 years in the business and will spend the greater part of each year at his summer home on Upper Hamlin lake near Ludington, Mich. He started in 1894 as office boy for E. R. Wetmore, who then was special agent for New York Underwriters in Chicago. At the outbreak of the Spanish-American war he went with Munger-Ebbert & Co. as a policy

## THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York.  
EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force.

PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 2704.  
BUSINESS DEPT.: Howard J. Burrigde, President. Louis H. Martin, Vice-President and Secretary. John Z. Herschede, Treasurer.

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writer. Mr. Soergel joined Northern Assurance in 1902, holding various positions and in 1906 had charge of the law department during period of adjusting the San Francisco conflagration losses.

He became loss manager for Fred S. James & Co. at Chicago in 1918 and the next year entered the adjusting business under William H. Daniels. He started as an adjuster with Frank L. Erion & Co., in 1922 and continued with Mr. Erion until Cook County Loss Adjustment Bureau was opened in 1925, when he became the first adjuster which it employed. Mr. Soergel was borrowed in 1935 by Pearl to help out in its loss department and was put in charge of losses within a few months. He was with that organization in Chicago until the western department was moved to New York City, and became an independent adjuster early in 1939.

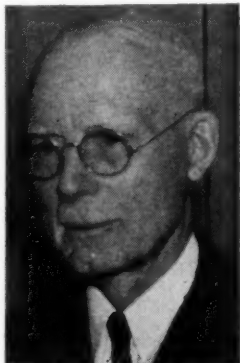
William A. Leopold, general agent in the general cover division of the brokerage and service department at the home office, celebrated his 25th anniversary with the North British group. In addition to a luncheon tendered him by Secretary H. B. Standen and associates, Mr. Leopold received a gift of a desk pen set with onyx base, presented by the staff of his department. He was notified that he had been commissioned a member of the "Norbit Guards," the association of employees who have represented the company 25 years or more.

## DEATHS

### James Wyper Dies at 81

James Wyper, who retired Jan. 1 of this year as senior vice-president of Hartford Fire after having been engaged in the insurance business 57 years, died Sunday night at Hartford hospital at the age of 81. Funeral services were held Wednesday afternoon.

Mr. Wyper was born in Scotland in 1864 and in 1888 came to his country to start in the insurance business with Lon-



JAMES WYPER

don & Lancashire. Ten years later he was named special agent for New York state and in 1900 was appointed secretary of Orient. When the underwriting department of London & Lancashire was moved to Hartford in 1905, Mr. Wyper was named agency secretary and shortly thereafter was transferred to San Francisco as Pacific Coast manager. Thirty-one years ago Mr. Wyper went with Hartford Fire as vice-president. He took intense interest in the affairs of the National Board and served as president of that organization in 1929-30. He was trustee of Kingswood School and was a director of Underwriters Laboratories, Underwriters Salvage Company and National Board of Fire Underwriters Building Corp. For years he was a trustee of American Foreign Insurance Association.

His first wife died in 1910, his second, the former Anna Sturman of Amsterdam, Holland, survives him. He also leaves five daughters, two sons, Lt. James Wyper, Jr., and Lt. John Wyper,

12 grandchildren and three great grandchildren.

With Hartford Fire Mr. Wyper's duties included head office supervision of the business in the Pacific and southwestern states, Canada and New England. He had general supervision of claims and for many years was chairman of the advertising committee.

Even after his retirement Mr. Wyper did not lose active contact with the insurance business. He continued as a member of the executive committee and the board of directors of the Fire Companies Adjustment Bureau. At the recent annual meeting of the National Board it was announced that he had been made an honorary member of the executive committee. His graceful and sincere response made it evident that he greatly appreciated the honor. He acted as chairman of the nominating committee which brought in the slate of officers at the National Board meeting.

Lt. Howard M. Coomber, 45, president of the Willock & Coomber agency of Kansas City, was killed May 3 when a bomb struck his ship near Okinawa, his wife and daughter have been notified. He attended University of Wisconsin and received a law degree from Kansas City school of law in 1933. He enlisted in 1942 and for a time served as chief customs officer at Samoa.

He was also the owner of Coomber Realty & Investment Co., which was founded by his father, George F. Coomber.

Mitchell Mackie, 63, Milwaukee capitalist, a trustee and member of the finance committee of Northwestern Mutual Life, died at his country home from a heart attack. He also was a director of Northwestern National of Milwaukee.

George G. Quirk, vice-president of Aetna Fire, is bereaved by the death of his mother, Mrs. Nellie G. Quirk, at her home at Oswego, N. Y.

William A. McEwan, 88, active in the mutual field since the turn of the century and for 42 years a director of Wisconsin Tornado, died at his home in Milton Junction, Wis. He first became associated with Harmony Mutual and in 1903 was an organizer of Wisconsin Tornado, its president for 25 years, and later secretary-treasurer. He was active in the Wisconsin Association of Farm Mutuals, being chairman several years.

John F. Henderson, 83, founder of the J. F. Henderson & Sons agency, White-water, Wis., more than 50 years ago, died after a brief illness. The agency has been operated by his sons for several years, although he continued actively interested.

Ensign W. M. Gunther, formerly with the Ohio Inspection Bureau and during 1942-43 with the midwest procurement district of the army air forces at Wichita, was killed in the Okinawa campaign.

Philip Q. Loring, 76, president and treasurer of Loring, Prentiss Son & Co. agency of Portland, Me., died at Maine General Hospital after a short illness. He joined his father in the local agency shortly after graduating from Phillips Exeter Academy in 1890. He was a past president of the Lion's Club.

Frank G. Ensign of the Ensign & Ensign local agency at Boise, Ida., who died recently, had been engaged in the insurance business in that city since 1909. He was born at Chicago and graduated from Beloit College in 1900. He served as president of the Idaho Association of Insurance Agents in 1921 and at the time of his death was president of Idaho Sons of the American Revolution and an overseer of Whitman College. He served in the Spanish-American war and served for several years as chairman of the Idaho Veterans Welfare Commission.

He started in the agency business at Boise in 1909 with his brother, Lewis Ensign, who died in 1936. George C. Walker became Frank Ensign's partner in 1936. Mr. Walker has taken over Mr. Ensign's interests in the business and will continue to operate for a time at

least under the old firm name of Ensign & Ensign.

A son, Col. Lewis P. Ensign, is on leave in this country after two years in England. Another son is Frederick G. Ensign of Rochester, Ind.

Henry Eckstein, 84, president and treasurer of the C. F. Hibbard Co., prominent Milwaukee local agency, died at Mount Sinai hospital after a short illness. Mr. Eckstein became associated with the Hibbard Agency about 68 years ago and succeeded Mr. Hibbard as president at the latter's death in 1919. He was a veteran member of the Milwaukee Board, serving as a director and in various offices. He was chairman of the old fire insurance patrol committee and of

the fire prevention committee of the board. A son, Edwin H. Eckstein, is vice-president of the agency.

### Heads A. M. A. Insurance Unit

NEW YORK—I. M. Carpenter, insurance manager of Ebasco Services, Inc., New York City, which is affiliated with the Electric Bond & Share Co., was elected vice-president in charge of the insurance division of American Management Association at the annual meeting. J. L. Madden, third vice-president of Metropolitan Life, is A.M.A. treasurer.

Two insurance men are directors: H. E. Niles, vice-president of Baltimore Life, and William D. Winter, president of Atlantic Mutual.



### Rhode Island

A Small State with an Impressive Background

The honor of being the organizer of the first woman's club goes to Anne Hutchinson, who, while not Rhode Island born, chose this state for her home. Women were not allowed at certain meetings for religious discourses in Massachusetts, so she began meetings for women only. The authorities did not object to her organizing women, but objected seriously to her daring teachings, such as all classes of people having equal rights before the law. For spreading such doctrines, she was tried by a church court and ordered, together with her large family and eighteen sympathizers, to leave the state. Being a woman of religious convictions strong enough to have caused her to follow the Reverend John Cotton from England, she was welcomed in Rhode Island by Roger Williams, America's first champion of free speech.

In Providence, Anne and her husband became influential leaders. With the group who had accompanied them, they formed a settlement on the Island of Aquidneck. After the island was bought from the Indians, the settlement grew rapidly, attracting many other seekers of spiritual freedom. Later the Bay Colony Ministers sent three members to inform the exiles that they might return upon recanting Mrs. Hutchinson's theory of inner sanctification, or the "Covenant of Grace," but the group chose to remain in Rhode Island.

Anne Hutchinson continued to be a great leader, and a "useful nurse and neighbor," until the death of her husband in 1642, when she moved to New York, where she and all of her family were killed in 1643 by the Indians.

*The Rhode Island Insurance Company, like Anne Hutchinson, has found this Small State with an Impressive Background a friendly place for living.*

## RHODE ISLAND INSURANCE COMPANY

PROVIDENCE • RHODE ISLAND

Progressive in Outlook—Conservative in Management

FIRE • AUTOMOBILE INLAND MARINE

OCEAN MARINE



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## Dependable . . .

# INSURANCE



**FIRE AND ALLIED LINES**  
**INLAND MARINE**  
**FULL COVERAGE AUTOMOBILE**  
**GENERAL LIABILITY**  
**WORKMAN'S COMPENSATION**  
**BURGLARY - PLATE GLASS**  
**FIDELITY AND SURETY BONDS**



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THOS. F. SHORTALL, VICE PRESIDENT &amp; SUPT. OF AGENCIES

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## American Surety to Launch New Unit, Surety Fire

**\$2 Million Insurer to Start with Auto, PPF, Certain Inland Marine Lines**

NEW YORK—The filing of an application with the New York department for the organization of a company to write fire and marine insurance is announced by A. F. Lafrentz, president of American Surety.

The new company will be known as the Surety Fire. It will have a paid-in capital and surplus of \$2 million. When legal formalities have been completed with it, it is intended to enter the company in all states and the District of Columbia. The company will be 100% owned by American Surety, the parent company of the group which includes New York Casualty, organized in 1891; Canadian Surety, organized in 1913, and Campana Mexicana de Garantias, S. A., organized in 1913.

### Home Office in New York

American Surety and New York Casualty maintain 38 branch offices, and a country-wide agency, claim and safety engineering organization. The home office of the new company will also be at 100 Broadway, New York.

Mr. Lafrentz made the following statement regarding the newest member of the group:

"For several years we have seriously considered the advisability of establishing a subsidiary for the writing of fire and marine insurance, so as to round out our service to agents, brokers and the public. With the war in Europe at an end, the board of trustees decided that the time was appropriate for expanding our business and service. With the Surety Fire Insurance Company our companies will be able to supply agents, brokers and insured in the U. S. A. with a larger variety of package protection. At the outset the new company will limit its writings to automobile fire, theft and collision insurance; personal property floater risks, and certain other inland marine coverages. This will enable the American Surety Company and New York Casualty Company to supplement the service and protection now being offered."

### Those Who Subscribed

The subscribers to the application are: F. W. Lafrentz, A. F. Lafrentz, W. E. McKell, Albert H. Wiggin, Jeremiah T. Mahoney, James T. Lee, William Edwin Hall, George A. Anderson, F. P. Small, J. F. Abbott, Frederic T. Wood, Charles C. Auchincloss, Peter Grimm, Medley G. B. Whelpley, Percy C. Magnus.

American Surety and New York Casualty have been writing combination automobile policies with several fire companies, including Camden, North British, and National Union.

### County Insurance Bill Signed

COLUMBUS, O.—Governor Lausche has signed a bill providing that insurance on county vehicles must be paid for out of the county road fund.

The Ohio senate has passed and sent to the house a bill increasing maximum workmen's compensation payments from \$21 to \$24.50 a week, the minimum from \$8 to \$10 and maximum payments for death from \$7,000 to \$7,500.

## Nat'l Ass'n of Independent Insurers Is Title

National Association of Independent Insurers is the title that has been selected for the group of non-organization companies that has felt the necessity of exercising collective influence in the decisions that are made to conform state supervision to the federal requirements. The name was selected at an all day meeting in Chicago last week of the executive committee that was previously appointed at a preliminary meeting attended by representatives of about 50 companies.

Henry Moser of the Chicago law firm of Sonnenschein, Berkson, Lautmann, Levinson & Morse and general counsel of Allstate, was elected president; J. R. Otto, treasurer of Auto-Owners, is vice-president, and R. C. Mead of State Farm Mutual Automobile is secretary-treasurer.

A constitution was adopted and it was decided to get up an application form and extend an invitation to all independent companies to join the organization. While those attending the original meeting at Chicago represented companies principally interested in automobile insurance, invitations will be sent to all companies both in the fire and casualty field that operate on a non-affiliated basis.

A committee was appointed to study the effects of the Clayton, Robinson-Patman and federal trade commission acts upon insurance in the light of the S.E.U.A. decision, consisting of State Farm Mutual, Bituminous Casualty, Chicago Motor Club and Mr. Moser ex-officio.

The officers will serve until the time of the first annual meeting.

## Oregon Court Holds U. S. Ship Operator Not Crew Employer

PORTLAND, ORE.—Reversing a lower court, the Oregon supreme court held that a shipping company operating a Liberty ship owned by the United States under a general agency agreement is not an employer of a crew member so as to create liability under the Jones act.

A seaman who fell through an uncovered hatch while the vessel was being towed to port after being torpedoed in the Atlantic was awarded a verdict of \$35,000. The supreme court held that the limited authority of the agency agreement between the Moore-McCormack Lines and the United States did not extend beyond permission to operate the vessel and excluded any control of the vessel or authority over the crew. As an agent whose duty it was merely to procure the master and crew for employment by the United States, the shipping company was held to have had no control over the negligent order of one crew member which sent the injured seaman into a place of danger.

## Plane of 78-Year-Old Colo. Aviator Insured

DENVER—The office of Aero Insurance Underwriters has insured a Luscomb aircraft for Starr Nelson of Delta, Colo., 78 years old. Mr. Nelson for 32 years a railroad engineer on the Denver & Rio Grande railway, learned to fly at Grand Junction in 1941 and holds a private pilot's license.

## Seaboard Surety to Move Up the Hudson

**Has Purchased Old Tiffany Estate of 25 Acres at Irvington**

NEW YORK—Seaboard Surety has purchased property at Irvington-on-Hudson about 20 miles from New York City with the intention of moving the home office into the new location after the war. The property, which was formerly the Tiffany estate, includes a large brick house and 25 acres of land overlooking the Hudson river.

### Interior Changes to be Made

There will have to be interior alterations in the house but, according to President C. W. French, this will be the only change necessary to make the property an ideal home for the company. It will be at least a year before any action can be taken. The company will maintain a metropolitan office in the city after the removal of the head office.

Seaboard Surety will be the first New York City company to move its home office to a suburban area. The idea has been contemplated by others at times, but the problem of transportation for employees has been considered a drawback. Irvington-on-Hudson is on the New York Central line.

## Minn. Responsibility Law, Effective July 1, Brings Big Rush of Business

MINNEAPOLIS—Minnesota's new safety responsibility law goes into effect July 1 and all indications point to a successful inauguration of the plan. Thanks to intelligent and widespread publicity, the public reaction has been favorable; there has been an enormous business of automobile insurance written and this volume is expected to hold up for several months.

To assist the state highway department in administering the new law, representatives of auto writing companies met here, Monday. Wheaton A. Williams, chairman of the safety responsibility committee and also of the governing committee of the Minnesota automobile assigned risk plan, presided. E. P. Lee of the state highway department talked about the enforcement of the new law.

Some of the more conservative Twin Cities agents report merely a "substantial" increase in business; others report gains from 100% to as high as 700%. Some of the offices have put on additional help both to solicit and to handle the business.

One large agency has put on what it calls a "swing shift" to work evenings and Saturdays when the regular staff is off duty. Another has rounded up several typewriters, employed married women who formerly worked for it and who are familiar with the business, and they are working at home.

## Southern California Cost Conference Annual Meeting

LOS ANGELES—The Southern California Fidelity & Surety Acquisition Cost Conference held its annual meeting with George W. McKay, Fireman's Fund Indemnity, as chairman. Members chosen for the southern California advisory committee are Aetna Casualty, Fidelity & Casualty, Indemnity of North America.

The Northern California advisory committee consists of Hartford Accident, Pacific Indemnity, Fireman's Fund Indemnity, U. S. F. & G., Ocean Accident, Travelers Indemnity.

## Stock Boiler Insurers May Offer Repair, Replace

**Also Ponder Action of Mutual Boiler Lifting Priorities Restriction**

The action of Mutual Boiler in offering so-called repair and replace cover and in removing the priorities restriction in its U. & O. contracts has been discussed by committees of the National Bureau of Casualty & Surety Underwriters and by joint conference of the bureau group and Hartford Steam Boiler and Employers Liability. It seems very likely that these companies will issue the repair and replace proposition, perhaps in August, but it is reported that sentiment has not yet crystallized on whether the priorities restriction should be lifted.

In the early stages of the discussion there was a good deal of opposition to the idea of providing repair and replace insurance but as the conversations continued the opinion prevailed that the market as a whole could not refrain from offering to provide such insurance now that Mutual Boiler has it in stock.

### Fear Wholesale Rewriting

A good deal of sentiment was expressed in favor of trying to make the change in some way that will avoid wholesale canceling and rewriting of contracts. The boiler insurers are still fagged out from having canceled and rewritten nearly every contract on their books two or three times during the rate and cover war and the work has not yet been entirely completed. Some favor offering repair and replace insurance only to those risks whose policies were written under the August, 1944 rates. They felt it should not be offered to those assured who are paying on the basis of the May, 1943, rates which are regarded as ruinous. However some of the companies believe that it should be offered to everyone across the board. It was generally agreed that the rate which Mutual Boiler is charging is satisfactory, it being 20% of the premium that is charged for direct damage insurance on the actual cash value basis. However it may be that if repair and replace is offered to all assured it will be on the basis of 20% of the August, 1944, rates even though the assured is currently enjoying the May, 1943, tariff.

### Two Plans May Differ

It may be that the National Bureau companies on the one hand and Hartford Steam Boiler-Employers Liability on the other will not be able to see eye to eye on all details and if so it is possible that the two groups may set up different systems except in Louisiana and New York where uniformity is required.

Repair and replace insurance pays the difference between actual cash value, taking into account depreciation, and the full cost of repairing or replacing the damaged equipment. Mutual Boiler is closely affiliated with the factory mutual fire insurance companies which recently introduced the repair and replace principle in their field.

### Restriction Not Removable

All of the boiler and machinery contracts contain the priorities restriction and it has not been possible, as it is in fire insurance, to remove that restriction for an extra premium.

## Analysis Shows Variety of Airports' Legal Liability

NEW YORK—Of particular value to producers because it enables them to show airport operators the sort of occurrences for which they can be held liable, a booklet on the legal liability of airport owners and operators is being issued by U. S. Aviation Underwriters. It was prepared by Donald Havens of the New York City law firm of Haight, Griffin, Deming & Gardner.

The booklet takes up the airport's liability for active negligence, that is the negligent act of an agent or employee of the airport and passive negligence, which is a failure to act, for example failure to maintain proper safeguards, to insist on exercise of reasonable precautions by other persons permitted to use the airport, or to conduct rescue or first-aid operations.

### Wide Variety of Claims

In the active negligence category airports have been held liable for the value of a plane stored at an airport and destroyed by fire caused through negligence of the operator's employees, for damage to adjoining property caused by the airport employees throwing material on to the plaintiff's house and land, for damage to crops on adjoining property caused by water drained from the airport, and for destruction of a plane which crashed while being operated by an airport employee. Claims have been made, and settled by underwriters, for injuries to a workman who was run over by a tractor operated by an airport employee, for injuries to a woman passenger who was struck by the bags being carried by a porter, for injuries to a workman who was jerked off a ladder by a foreman, for injuries caused by the sudden raising of a sidewalk elevator door, and for injuries caused by a waitress spilling hot coffee on a customer in the airport restaurant.

Claims due to the passive negligence of the airport—the failure to do an act which it was under a duty to perform—are far more frequent than claims for active negligence. A passenger injured in a sightseeing plane brought suit against the city which operated the airport from which the flights were conducted and which shared in the proceeds of the sightseeing trips. The appellate court approved the trial judge's instructions to the jury that the city owed a duty to supervise the operation of the trips and to endeavor to prevent any negligent operation of the planes. In *Peavey v. City of Miami*, the city was sued for damages sustained by plaintiff's plane when in attempting to land at the municipal airport it collided with a road roller on a runway under construction. The plaintiff contended that the city was negligent in not sending out warnings of the construction work and in not having flood lights and sufficient warning lanterns.

A complaint alleging that airport employees removed plaintiff's plane from a hangar and failed to stake it properly, with the result that the plane was destroyed in a windstorm, has been held to state a cause of action against the airport. In an English case, an airport was similarly held liable for damage to a plane in its custody which was caused by a high wind and which would not have occurred if the plane had been properly fastened. The airport was held liable even though it had agreed to take care of the plane without charge.

In another English case, the airport was held liable for damages to a plane which, when attempting to take off, broke through the covering of a sealed stream, the court stating that the proprietor of a public aerodrome is under an obligation (a) to see that the aerodrome is safe for use for such aircraft as are entitled to use it, and (b) to give proper warning of any dangers of which they knew or ought to have known.

Claims have been asserted, and set-

tled by underwriters, by a passenger who slipped and fell in entering an airport terminal through a tunnel which was wet and in slippery condition from rain, by a woman who stepped into a hole in an airport, by a man who stepped into an unguarded and unlighted area near a parking area, by a spectator at an airmeet who was struck in the face by a broken board in the grandstand, by a woman who was knocked down by a flower box which collapsed, by a person who was hit by a lavatory door which fell off its hinges, by a man who slipped on ice, by a student who cut off his finger while working on a buzz saw, by persons who slipped or tripped on a wet ramp, on a dock, on a wooden walk, on a stairway, on the floor of a writing room, and in a hangar, by a person hit by the frame of a loud speaker which fell, by a volunteer injured while helping to close a hangar door, by a woman whose arm was broken when the cord holding a hangar door broke, by a woman who was injured when a chair in which she was sitting collapsed and by a woman who was injured when a guard rail on which she was sitting broke.

The booklet points out that because of the higher incomes usually enjoyed by people using aircraft the damages against airports are likely to be higher on the average than where the frequenters of ordinary amusement parks or railway terminals are involved. Even slight injuries may result in substantial damages. In addition there are claims peculiar to airports. Numerous claims have been made against airports by airplane owners for damages suffered by their planes as a result of hitting objects in taxiing, taking off or landing, the plane owners claiming the airport to have been negligent in failing to mark the object properly or give sufficient warning of its presence.

### Standards Considerably Raised

One of the difficulties which an airport operator faces in trying to operate with such care as to avoid liability is that the standards of reasonable care are continually being raised because of the rapid technical advances occurring in the aviation industry. The operator may be adhering to the highest standards but may find that by the time the case is reached for trial such advances have been made in construction of airplanes, radio communication, weather reporting, methods of maintenance and repair or other techniques that the precautions that he took seem antiquated or inadequate. Although the jury is supposed to judge on the basis of practices prevailing at the time of the accident, it is difficult for it not to be influenced by subsequent changes and improvements.

Because of the uncertainty as respects the liability of municipal airports and the amount of misinformation that exists on this point, the booklet devotes considerable space to municipal airports, pointing out that they are not immune from suit because of their governmental status and that there is considerable doubt as to the constitutionality of statutes that have been enacted to give immunity to municipal airports.

### Type of Function Is Important

It is the general rule that municipalities are immune from suit in their exercise of governmental functions but not as respects their proprietary or corporate functions. Governmental functions are defined as those essential to the community's welfare while proprietary or corporate functions are those which are not so essential. With the growth in number of activities in which a municipality engages the distinction has become artificial and lacking in logic or common sense, according to Mr. Hav-

(CONTINUED ON PAGE 21)

## States Would Like Blanket Bonds and Lower Rates

NEW YORK—Further discussions between the insurance department and surety companies on public official bonds are expected. The companies were scheduled to make a proposal to the New York department through the Towner Rating Bureau in about two weeks.

Rate reductions of 30 to 35% are expected to be offered and the action may lead to reductions in other states. It is doubtful that the surety underwriters will meet the New York department's desire to place the bonds on an annual limit basis, though the department is expected to continue its negotiations to secure this and other form changes and it would like to have a bigger cut in rates.

Not only New York but other states apparently are much interested in getting a blanket bond for public officials. The companies have hesitated to do this because they felt the law would not let them do it. The commercial blanket bonds written cover dishonesty but the law for many statutory positions makes the official liable for faithful performance of duties as well as dishonesty. "Faithful performance" is a vague phrase which might mean almost anything, and suits have been brought under it, most of which failed, but all of which cost money to defend.

### Believe It Could Be Done

The states' contention generally is that the blanket bond could be written to cover public officials if the companies were willing to do so. They argue that a governmental unit would hesitate to file a suit under the faithful performance liability in the law if the bonds were on an experience basis.

In New Jersey, Manufacturers Casually early this year wrote all non-statutory positions under a commercial blanket bond to cover dishonesty. This was in a standard penalty of \$100,000, and the cost was distributed over each department according to the number of employees, with the state auditor handling the payment and distribution of cost. The auditor furnished several hundred names, and these were studied by the attorney-general to make sure that no statutory positions were included. The form has a clause automatically excluding any employee if he has any statutory liability. There were a number of B and C class employees and several hundred class A employees. The writing of the bond has caused considerable interest in other states.

Some states would like to have the bonds written on an annual limit basis. This would make the penalties accumulate for any loss extending over several years. The companies have opposed doing this on the theory that it simply increases liability without increasing the premium. The state contends that if it pays premium each year for \$5,000 worth of bond indemnity then it should have that much for each of the years involved rather than a total of \$5,000.

In Pennsylvania they devised the practice of writing a bond in one company for two years and then shifting it to another surety for the next two years. The surety's liability embraces a discovery period from the end of its bond for as long as the statute of limitations runs.

In New York the Port of New York Authority has a blanket bond, and there are several other governmental operations of this type written in this way. The New York rate of \$2.50 per \$1,000 for New York state officials is somewhat lower than that in New York City, and \$5 for others. One proposal of the companies has been to reduce the \$5 to \$4, a 20% cut, for the other public official bonds.

The W. T. Koop Agency at Minneapolis is moving this week from the Foshay Tower to the second floor at 805 LaSalle Ave.

## New Air Rate Cuts Reflect Favorable Experience

### Reductions for Private Planes and Non-Scheduled Commercial Craft

NEW YORK—Substantial reductions in public liability and property damage rates for private business and pleasure planes and for non-scheduled commercial flying are shown in the new rate sheets released this week by Aero Insurance Underwriters, Associated Aviation Underwriters, U. S. Aviation Underwriters, and Employers Liability—Newhouse & Sayre. Similar cuts were made a year ago and the new reductions reflect the favorable experience of the past year.

Reductions in P.L. are about 20% for private business and pleasure risks and about 12½% for non-scheduled commercial flying. No change was made in passenger liability rates. Substantial reductions have also been made in P.L. and P.D. rates on reporting forms of policies, which are available to owners of three or more aircraft.

### Basic P.D. Unit Now \$5,000

The basic unit of property damage coverage has been upped from \$1,000 to \$5,000 but at the new rates the insured will pay exactly the same for \$5,000 of coverage as he paid for \$1,000 at the old rates. In view of the type of claims against aircraft owners for property damage, it is believed that \$5,000 is the smallest amount which should be purchased.

Below are given the new and old rates for both public liability and property damage for both private and commercial non-scheduled risks:

Public Liability					
Private Business and Pleasure			Commercial		
Limit	New	Old	New	Old	
\$ 5/10	\$20.00	\$25.00	\$35.00	\$40.00	
10/20	25.00	31.25	43.75	50.00	
10/50	29.00	36.25	50.75	58.00	
15/30	28.40	35.50	49.75	56.80	
20/40	29.60	37.00	51.80	59.20	
25/50	31.20	39.00	54.60	62.40	
25/100	34.60	43.25	60.55	69.20	
40/80	35.00	43.75	61.25	70.00	
50/100	36.80	46.00	64.40	73.60	
50/150	37.60	47.00	65.80	75.20	
50/200	37.80	47.25	66.15	75.60	
100/100	38.40	48.00	67.20	76.80	
100/200	39.80	49.75	69.65	79.60	
100/250	40.40	50.50	70.70	80.80	
100/300	40.80	51.00	71.40	81.60	

Property Damage					
Private Business and Pleasure			Commercial		
Limit	New	Old	New	Old	
\$ 5,000	\$25.00	\$32.00	\$40.00	\$51.20	
7,500	27.00	34.50	43.20	55.20	
10,000	28.25	36.25	45.20	58.00	
15,000	30.75	39.25	49.20	62.80	
20,000	32.50	41.25	52.00	66.00	
25,000	34.25	43.75	54.80	70.00	
30,000	35.50	45.50	56.80	72.80	
40,000	38.00	48.75	60.80	78.00	
50,000	40.00	51.25	64.00	82.00	
60,000	41.50	...	66.40	...	
70,000	43.00	...	68.80	...	
75,000	43.75	56.25	70.00	90.00	
80,000	44.50	...	71.20	...	
90,000	45.25	...	72.40	...	
100,000	45.75	58.75	73.20	94.00	

\*This limit not shown in former rate sheet.

### Reporting Form Rates

In the reporting form or pay-as-you-go type of policy, the rates are based on number of flying hours. For private business and pleasure flying the rate has been reduced from 5 cents flying per hour to 4 cents, while the commercial rate has been cut from 7 cents to 6. On reporting form P.D. coverage the same rate that bought \$1,000 now buys

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## Los Angeles Reciprocal Again Writes Ore. State Line

EUGENE, ORE.—Truck Insurance Exchange of Los Angeles has been awarded the bodily injury and property damage liability insurance on all automobiles owned by the state of Oregon on a bid of \$11,183. No other bids were submitted. The schedule includes 814 passenger cars, one ambulance, 970 trucks, 116 trailers, two motorcycles, 140 self-propelled graders, mowers, tractors, rollers etc., and 376 pieces of pull-type equipment, such as asphalt kettles, air compressors and the like. Limits for bodily injury liability are \$10/40,000 and \$5,000 on property damage, liability for most items. Medical payments coverage is included on 98 passenger cars and 50 trucks. Truck Insurance Exchange wrote the business last year on a bid of about \$8,975, which averaged \$4.69 per vehicle. The unit average for this year is about \$4.63.

## Merchants Mutual Has N. Y. Housewarming

NEW YORK—Merchants Mutual Casualty has moved its New York City office into much more spacious quarters at 116 John street, occupying nearly all the eighth floor. As soon as the leases of the other occupants of the floor expire Merchants Mutual will have the whole floor. It formerly was elsewhere in the same building.

Several executives from the home office at Buffalo were on hand for the housewarming in the new quarters. They included President C. W. Brown, General Counsel Edward Jaecle, prominent in New York state politics and until recently chairman of the Republican state committee; Treasurer W. A. McNeilly, Counsel Earl Kaiser, and Assistant Secretary R. P. Holden, who is being transferred to the New York office. G. M. Williamson, executive vice-president in charge of New England territory, was present.

Horace A. Brown, Jr., is vice-president in charge of the New York office.

## Filler to General Accident

General Accident has named John W. Filler as claims manager at Washington, D. C. He was previously claims examiner for the department of motor vehicles of Virginia and prior to that was associated with New Amsterdam Casualty and he also served as claims manager for Employers at both Lynchburg and Richmond.

## Hartford Life Incorporated

The Connecticut legislature has enacted the bill incorporating Hartford Life as a member company of the Hartford Fire group and Gov. Baldwin has signed the measure. Hartford Fire acquired the charter of the old Hartford Life several years ago.

## Buckeye Union Veterans' School

S. W. Schellenger, superintendent of agencies of the Buckeye Union companies, has announced that the next school for returned veterans will be held the week of Oct. 16. The attendance will be limited to 25.

**PERMANENT POSITIONS.** A leading Casualty and Surety Company has two openings in its Milwaukee Branch Office for men with proper qualifications.

1. Casualty and Surety Special Agent with underwriting experience.
2. Combination Engineer and Auditor.

These positions will be permanent for right parties with excellent opportunity for advancement. Salary, expenses and an automobile. Please state education, experience and salary expected. All replies confidential. Address B-36, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## Gladys Cooney Is Observing 25th Year with Employers

LOS ANGELES—Miss Gladys M. Cooney, assistant superintendent of the claims department of the southern California offices of the Employers group, is celebrating her 25th anniversary with the group, by an extended visit to the home office in Boston. She entered the service in Omaha as a stenographer in the claims department, and was advanced to chief clerk. In 1936, when the southern California department was opened, she was transferred to this city as chief clerk in the claims department, after having spent the preceding year between the San Francisco and Los Angeles offices.



Gladys M. Cooney

When R. D. Woodward, superintendent of claims, entered service, Miss Woodward carried on in his place and was named assistant superintendent in 1943.

## Detroit Casualty Men Take Up Bank-Agent Auto Plan

DETROIT—Details of the bank-agent plan for automobile financing and retention of the insurance on new car sales by the agents were discussed by the Casualty & Surety Executives Association at a special meeting called by President John T. V. Keller, Maryland Casualty, shortly after the presentation of the plan before a large group of Great Lakes area bankers and agents at a meeting sponsored by the Michigan Association of Insurance Agents.

W. O. Gamble, manager of Zurich and chairman of the association's automobile committee, presided and led the discussion. Members agreed that the plan has much merit as a means of improving competitive conditions in the automobile insurance field for the auto carriers not affiliated with finance companies and should be supported. The form which this support will take was left to the automobile committee, which was authorized to study the plan and make recommendations at a later meeting.

## Insurance Men on Salary List

WASHINGTON—Compensation of James S. Kemper, Lumbermen's Mutual Casualty, at \$250,000 tops the list of insurance executives receiving compensation for personal services in excess of \$75,000 for calendar year 1943 and fiscal years ending in 1944, according to the first list made public by Secretary of Treasury Morgenthau. Mr. Kemper's reported compensation for calendar year 1943, according to the statement, included \$60,000 salary and \$190,000 "other compensation."

The compensation for 1943 of other insurance executives reported: Franklin D'Olier, Prudential, \$100,000 salary; Leroy A. Lincoln, Metropolitan Life, \$125,000 salary; George L. Harrison, New York Life, \$85,000 salary; William Montgomery, Acacia Mutual Life, \$75,000 salary, \$150 "other compensation."

## Colonial Defers Withdrawal

SAN FRANCISCO—The effective date of the withdrawal of Colonial of Los Angeles from the California agreement relating to motor vehicle insurance has been postponed to Sept. 24 at the request of the company. The original date was July 26. Efforts have been made to reconcile the differences which prompted Colonial to petition to withdraw.

Edmund T. DeJarnette of DeJarnette & Paul, Richmond, a past president of the Virginia Association of Insurance Agents, has been elected president of the alumni of Randolph-Macon College.

# A GOOD START for GUARDIAN PENSION PLANS

An increasing number of Guardian agents (and general insurance brokers) are finding the service of The Guardian's Home Office Pension Planning Section to be of greater assistance to them and their clients in their preparation of employee pension plans.

In 1944, the first year of its operation, average case closed was for \$205,000 . . . average number of lives was 34.

## THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Home Office: New York City

A MUTUAL COMPANY

ESTABLISHED 1860

GUARDIAN OF AMERICAN FAMILIES FOR 85 YEARS

## ACCIDENT AND HEALTH

### D. S. Walker Agency Holds 4-Day Agency Rally

In 1932, D. S. Walker went to Philadelphia to open the eastern half of Pennsylvania for Mutual Benefit Health & Accident and United Benefit Life. Last week, 50 of the 80 full-time men in the agency had a four-day meeting at Galen Hall, just out of Wernersville, Pa., and reported:

More than 40,000 health and accident policyholders;

12,000 health and accident policies sold in 1944;

Almost \$15 million of life insurance sold in 1944;

About a million letters and other mailing pieces being sent out annually to get leads.

In addition to the agency advertising, the company finances a weekly half-hour radio program, "Freedom of Opportunity," and advertises in a number of national magazines.

The agency has two million-dollar producers: Paul Banks, associate manager, and Sam Renish. Mr. Banks gets a good deal of his business from business insurance and pension trusts; Mr. Renish does his mostly with a very large number of \$5,000 to \$25,000 cases.

Fred T. Van Urk, associate manager, was in charge of the program. He is an ex-Equitable Society training assistant, and is equally at home in training a new man, working out a program, handling brokerage cases and in general smoothing over.

Most interesting feature in the agency room: a sound-proof telephone booth with no door. It enables any agent to talk without disturbing other agents in the room.

Outside speakers at the meeting included:

V. J. Skutt, vice-president and general counsel, who said:

"Every policy we put out passes two tests; first, is it safe?, second, is it salable?"

Frank S. Finch, executive vice-president, who said: "The combination package of health and accident plus life insurance, properly publicized by radio,

advertising and direct mail, is making a lot of money for a lot of agents and is protecting many thousands of men and women who would otherwise have little or no protection."

Charles T. Davies, author of the book, "Why I bought Life Insurance," published by the Diamond Life Bulletins, who again proved that life insurance was a better buy than common stocks.

A. R. Jaqua, associate editor Diamond Life Bulletins, who in three morning sessions outlined various selling ideas on life insurance.

Every agency is the reflection of the man at the head. Head man in this agency is Stewart Walker, fast-thinking, gregarious, able, imaginative.

### Sterling Embarks on Agency Program; Names Ill. Setup

Sterling of Chicago has appointed Lifetime Income Agency as its general agent for Illinois. This, according to President L. A. Breskin, is the first step in a nationwide agency program. Sterling intends to qualify in other states and appoint general agents. Heretofore it has operated exclusively by mail and has been licensed only in Illinois.

J. F. Neiburger, president of Life In-

come Agency, started in 1938 at Dallas, where he operated a general agency. Three years ago he was a co-partner and organizer of the Leonard O. Hart agency at Portland and operated in Oregon and Washington for Continental Casualty.

His associates are Samuel Donia and John Shuman, both of whom were west with Mr. Neiburger and also were in the agency business at Los Angeles and San Francisco.

The agency is located at 327 South La Salle street, Chicago.

### Inter-Ocean Makes Fine Record

CINCINNATI — Inter-Ocean Casualty reports that the president's campaign brought the best month's business for the year both for number of applications and new premium volume in the monthly commercial department.

In the industrial department it was the third largest month in history.

The campaign in honor of President J. W. Scherr is conducted annually in May. Mr. Scherr celebrated his 69th birthday during the campaign.

The West Virginia district had the largest sales increase in the industrial department and the Welch, W. Va., staff the largest increase in the state, with the Cincinnati district second and Pittsburgh third.

### Sholl Speaks in Toledo

TOLEDO—Addressing the Northwest Ohio Association of Accident & Health Underwriters on "A Better Association, Now—Tomorrow," Clarence A. Sholl, president of the National association, said accident and health insurance needs a better association for various reasons, and has a better association now, but that it is imperative it have still better associations in the years to come if the industry is to fulfill its proper mission for business and society and to grow and prosper for the benefit of the agents and the companies.

He pointed out that the National association is now at work for the members and the industry as a whole; that approximately 175 men from coast to coast and from the Canadian border to the gulf, including the officers, executive board members, committee chairmen and others, are giving of their time, efforts and money for the best interests of the business and those engaged in it.

Homer J. Bisch, National Casualty, Toledo, former National association president, and A. F. Taylor, Inter-Ocean Casualty, president of the Ohio association, also spoke.

### Oklahoma Law Dean Speaks

John Hervey, dean of the law school at the University of Oklahoma, Norman, spoke at the closing meeting of the season of the Oklahoma Accident & Health Association in Oklahoma City on "What the Future Holds for Us," painting an optimistic picture for the accident and health salesman that is up and doing.

### Gordon in Los Angeles

LOS ANGELES—Harold R. Gordon, managing director, Health & Accident Underwriters Conference, addressed a special breakfast meeting of the Los Angeles Accident & Health Managers Club, telling of problems that confront the disability writing companies, both legislative and company-wise. He paid particular attention to health insurance bills that are or have been before legislatures, and the plan for writing sub-standard accident and health insurance submitted by the committee of which A. D. Anderson, Occidental Life of California is chairman.

### Ia. Medical Contracts O.K'd

The Iowa department has approved contracts of Iowa Medical Service of Des Moines for subscriber fees and for contributing physicians.

Dr. Marvin I. Olsen, president, said about 250 Iowa physicians so far have signed up to participate. The Blue

## Your wartime ally



Today with lack of manpower, gas and tire rationing and other wartime restrictions, the use of the various forms of advertising—and particularly direct mail—will enable you to multiply your selling efforts, help you increase your premium volume.

Standard advertising helps include sales-making folders, blotters and inserts on all types of casualty and bonding coverages, window posters, mailing cards, sales letter suggestions, local newspaper advertising ideas, advertising signs, and other helpful sales aids.

This effective promotion material is completely described in our advertising catalog. Any Standard field office will gladly supply a copy or write to the home office at Detroit.

### STANDARD ACCIDENT INSURANCE COMPANY

ONE OF AMERICA'S OLDEST AND LARGEST CASUALTY & BONDING COMPANIES

and its Fire and Marine affiliate **PLANET INSURANCE COMPANY**

HOME OFFICES, DETROIT 32, MICHIGAN

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Cross will handle sale of the medical insurance.

The San Antonio Association of Accident & Health Underwriters heard O. W. Thurston, bureau of research and statistics, San Antonio chamber of commerce, speak on a greater San Antonio.

## CHANGES

### H. B. Kiefer Named Chicago Manager of Century

Appointment of Harold B. Kiefer as manager of the Chicago branch of Century Indemnity, succeeding the late manager, Russell E. West, is announced.

Mr. Kiefer will go to Chicago from the Boston claim division of which he has been manager for several years. Arthur A. Sandusky, superintendent of the casualty department at Chicago, and Special Agent Frank J. Frazier have been appointed assistant managers of the Chicago branch office.

Mr. Kiefer is a native of New York and entered the business in 1920. He joined Century in 1928 as manager of the Newark claim division. Several years later he was transferred to Boston and made manager of the claim division.

Mr. Sandusky joined Century in 1928 in an underwriting capacity. Prior to that he had spent some 12 years in the insurance business, three of which were with Conkling, Price & Webb, Chicago general agents.

Mr. Frazier has been with Century since 1935 as special agent. At that time he had been in the insurance business 10 years, starting as a map clerk with Royal.

### Vance to Grand Rapids Post

Ken Vance has been appointed as underwriter in the Grand Rapids branch of Ohio Casualty. He has been at the home office six years and prior to that was manager of a general agency at Toledo.

C. V. Carlson, associate manager of Ohio Casualty at Grand Rapids, has been brought in to the home office for a period of several months and it is contemplated that he will be assigned to a new branch position later this year.

### Brunton Joins Buckeye Union

E. D. Brunton, formerly with State Automobile of Indiana, has joined the home office of Buckeye Union Casualty in Columbus as a claims examiner. He will supervise claims originating in the Ohio branch offices.

### Names White & Camby at N. Y.

Massachusetts Bonding has appointed White & Camby as casualty and surety borough agents in New York.

### John L. Graves Oregon Manager

National Automobile & Casualty has appointed John L. Graves as manager at Portland, Ore. He succeeds A. E. Harry, whose illness necessitated his retirement. Prior to his new assignment

#### CLAIM MAN AVAILABLE

Eight years experience in all casualty lines. Four years as claims manager. Legal education, age thirty-two. Minneapolis territory preferred. Address Box C-1, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

#### WANTED

Manager, experienced. Accident & Health Department large multiple line company branch office. Location—Chicago. Reply in detail as to age, salary, draft status and qualifications. All replies in strict confidence. Address Box C-2, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

in Portland, Mr. Graves was manager at San Diego, Cal.

Gardner T. Palmer becomes San Diego manager. He had previously been assistant manager.

## COMPENSATION

### Employers Fight Minn. Raise

ST. PAUL—A brief by the Minnesota Employers Association argues that compensation carriers in Minnesota have been making millions of dollars in profits through high rates and they are not justified in increasing rates 7.4% to take care of increased benefits under a new state law.

It contends that it cannot be determined whether rates should be higher or lower until after a few years and that it is impossible to determine now how the increased benefits will affect rates.

### Tenn. Compensation Rates Cut

NASHVILLE — Tennessee's workmen's compensation insurance rates will be reduced an average of 3.4% July 1. The reduction, which would have been even greater but for the "second injury fund" created by the legislature, will amount to about \$200,000.

### Ohio Rates Revised

The Ohio industrial commission has filed its new compensation manual, showing that rates have been increased in about 100 classifications and reduced in about 60. The increase, it is said, will be the first in the general level in 10 years. The increased rate is attributed to proposed increase of from \$21 to \$24.50 maximum weekly benefit payable to an injured workman. The rate for airplane manufacturers has been cut from 90 cents to 70.

## ASSOCIATIONS

### Michigan Surety Association Holds Golf Outing

DETROIT—Forty casualty and surety managers and field men gathered at the Western Golf & Country Club near here for the annual golf tournament and outing of the Surety Association of Michigan. Jack Locy, Fidelity & Casualty, was in charge of the golf.

President Douglas Jones, Aetna Casualty, presided at a dinner and Mr. Locy awarded nine prizes in the tournament. Among the winners were William Peterson, Standard Accident; Douglas Jones, Aetna Casualty; C. A. Keith, Fidelity & Deposit, and Mr. Locy.

### Casualty Executives Golf

DETROIT—The annual summer golf outing of the Casualty & Surety Executives Association of Michigan was held Wednesday at Orchard Lake Country Club near Pontiac. J. T. V. Keller, manager Maryland Casualty, is president and presided at dinner. J. F. Horton, manager Aetna Casualty, handled arrangements.

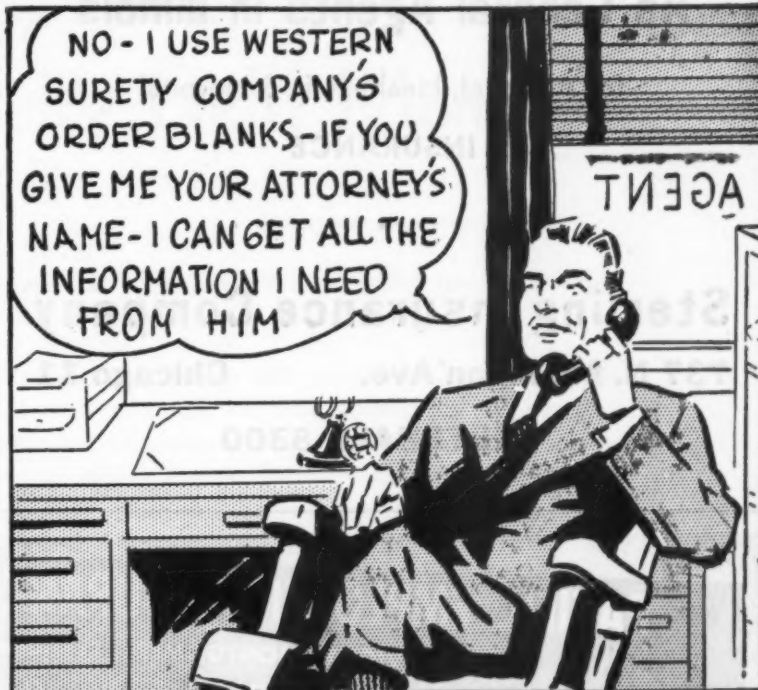
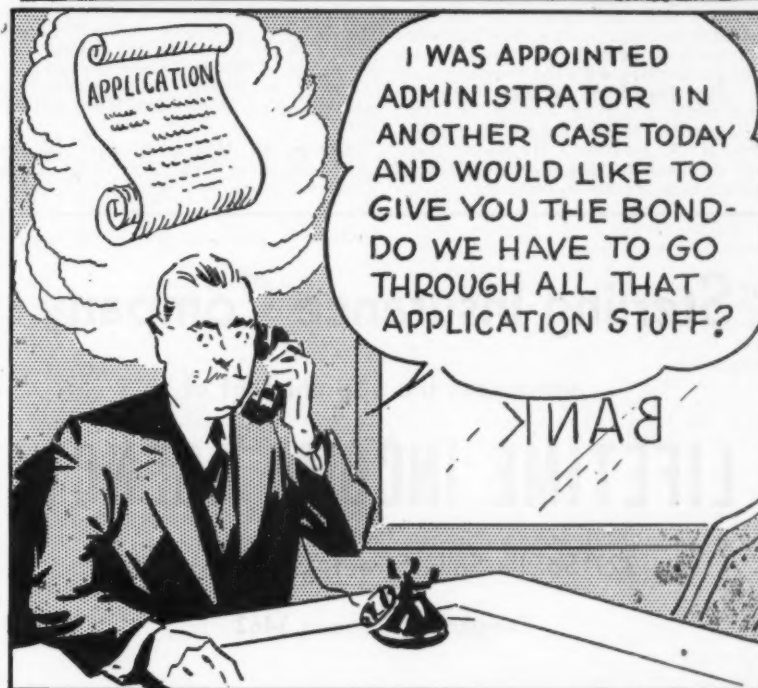
### Ohio Rates Revised

The Ohio Casualty & Surety Field Club at its annual Columbus meeting elected these officers: Robert F. Miller, Trinity Universal, president; Ralph Allen, Trinity Universal, secretary; Peter P. Franzen, Commercial Casualty, vice-president, and Wayne C. Collier, Emmco, treasurer.

### Mansfield Opens Own Office

DETROIT—W. A. Mansfield, insurance attorney who has been general counsel for the Surety Association of Michigan for several years, has withdrawn from partnership with S. T. Mason and C. F. Davidson and has opened his own office at 909-10 LaFayette building.

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## PERSONALS

**George J. Stratton**, assistant manager of the Pacific department of Hartford Accident in charge of the San Francisco metropolitan department, observed his 25th anniversary with the company June 21. He started in the insurance business while attending college, assisting in the agency conducted by his mother, Mrs. M. A. Stratton. He joined Hartford Accident in 1920, became a special agent, then resident manager of the

metropolitan department and finally assistant manager of the Pacific department.

**Cyrus C. Washburn**, San Francisco, resident vice-president of Preferred Accident, spent some time in Portland and Seattle while en route to Chicago for a meeting of the National Association of Accident & Health Underwriters. He will visit New York following the meeting.

**Stanley F. Withe**, manager of the safety education department of the Aetna Life companies, has been named chair-

man of the newly-organized Hartford County Safety Association.

**Harry E. Palmer**, manager of the railway and ticket division of Travelers has completed 35 years with the organization. He has charge of the personal accident ticket business as well as the accident and sickness insurance issued to railway employees. The ticket accident business is Travelers' oldest department, having been established 82 years ago. Insurance on railway employees has been written since 1872.

A native of Danielson, Conn., Mr. Palmer was in the real estate and insurance business there for a time with his father and later became associated with American Steel & Wire Co. of Worcester, Mass. Prior to joining Travelers, he served a year as assistant cashier of the Connecticut branch of New England Mutual Life.

**W. W. Smith**, vice-president and manager of London & Lancashire Indemnity, has returned to Hartford after a 10-day agency trip in company with J. M. Fraser, midwestern manager at Chicago, to Detroit, Chicago, Kansas City and Wisconsin points.

**James Bugbee**, manager of the automobile department at the head office of Maryland Casualty, is visiting the Chicago and Detroit offices this week.

**George L. Dyer, Jr.**, former St. Louis manager of Columbian National Life and former president of the National Association of Accident & Health Underwriters, now a corporal in the army air forces, stationed at the army air field near Wilmington, N. C., was married recently to Miss Evelyn Moran of Grosse Pointe, Mich. They spent their honeymoon in Detroit, after which Cpl. Dyer reported back to his station.

## DEATHS

**Edward Wallace Bush**, 73, writer for technical journals and former engineer in Aetna Casualty's fidelity and surety underwriting department for 28 years, died suddenly Saturday. He was engaged in engineering work before joining Aetna in 1917. He was active in the construction of several bridges in Hartford and around the state. Mr. Bush also worked with Morgan Brainard, a member of the Hartford flood control commission, on plans for the erection of Hartford's 45-foot protective dike.

**Patrick J. Vaughn**, general agent in Hartford of North American Accident for 27 years, died there after a brief illness. A native of Ireland, he had lived in Hartford for 35 years.

## Security Law Program in Md.

In Maryland, where a financial responsibility law of the severe type has been enacted to become effective Jan. 1, the state highway department and the insurance commissioner desire to have insurance companies and agents hold their fire until about the middle of October. That is they want the insurers and producers to refrain from putting on a campaign to sell insurance on the strength of the new law until the effective date is closer at hand.

The highway and insurance departments intend, commencing about Sept. 15, to put out literature and engage in other forms of advertising to apprise motorists of the nature of the law and they desire that this educational work be conducted by the state exclusively at first. They would like to have the field to themselves for about a month and then at a designated date the insurance people would be privileged to advertise and solicit business. This arrangement was carried out in connection with the Virginia law which became effective Jan. 1, 1945, and worked out to the satisfaction of all concerned.

### Over Aggressive Solicitation

In the states in which the new type of financial responsibility law has been put into effect there has been here and there an unfavorable reaction because of over aggressive solicitation on the part of a few agents and salaried solicitors. Some insurance salesmen have either represented the statute as an outright compulsory insurance measure or else have been so sketchy in outlining its provisions as to cause the prospect to think that he was obliged by the statute to buy insurance.

By giving the state officials a clear field to publicize the law at the outset, the danger is minimized of the public being misled by high pressure insurance selling tactics and also the way is made easier for insurance sales to be made because the state publicity removes any suspicion that insurance interests are exaggerating the effects of the law. Also the publicity, coming from the state, is probably studied more carefully than insurance company literature and by the time sales calls are made the public is pretty generally informed about the law.

In Minnesota where the law becomes operative July 1 and in Nebraska where it goes into effect Aug. 10, the time between enactment and effective date has been so short that it was not possible to set up such a program as is contemplated in Maryland.

In Pennsylvania there will be an extremely long educational period. The law there was enacted to become effective July 1, 1947. The state authorities intend to engage in a publicity campaign for the next two years to acquaint the motorists with what is coming.

### Holding on Oregon Guest Law

PORTLAND, ORE.—Construing the state guest law, the Oregon supreme court held that fainting at the wheel is not gross negligence sufficient to make a driver liable for injuries to guests. In a case insured by Oregon Automobile, the driver, who had recently recovered from an illness, fainted and crashed into a trolley bus, injuring all occupants. The suit was brought by the driver's father, who secured a lower court judgment, but it was reversed by the supreme court.

### Adjusters Can Get Tires

According to a new ruling, insurance adjusters and inspectors of the Canadian Underwriters Association have been placed in Class A and may buy new automobile tires for cars used 75% on professional duties. Insurance salesmen have been placed in Class B and may buy used or retread tires for vehicles also used 75% for official duties.

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## New Air Rate Cuts Reflect Experience

(CONTINUED FROM PAGE 16)

\$5,000 and there is a corresponding reduction on the higher limits. The rate for private pleasure and business flying was formerly 5 cents per flying hour for \$1,000 of coverage and it now becomes the rate for \$5,000, which becomes the basic unit of coverage. The same thing applies to commercial non-schedule flying, except that the rate is 7 cents per flying hour. No change is made in the passenger liability rate.

Aviation underwriters are endeavoring to reflect improved experience in lowered rates as promptly as is practicable because of the importance of lower insurance costs in encouraging more flying. All the new rates are effective as of June 15.

There has been no cut in the premium rates on hull coverage, on which all of the aviation insurance groups have been losing money. All of the markets have been subjected to heavy loss from wind and hail storms. In numerous cases fabric covered and plywood wings and fuselages have been riddled by hail stones, causing heavy insurance loss to the underwriters.

### Repairs Proving Costly

A factor which dominates the hull coverage picture now is fantastically high replacement and repair costs. There is no OPA ceiling on planes or their parts. Many parts now must be specially made by hand. Labor cost for the skilled mechanics required for this very particular work also is great. Loss ratios of well over 100% on an earned premium basis are reported.

An effort is being made to stabilize the situation, with the government taking a hand along with the aviation pools, and airport operators are being asked to lend their influence in bringing conditions back to normal.

### Analysis Shows Variety of Airports' Legal Liability

(CONTINUED FROM PAGE 16)

ens, as in a Michigan case in which the court held that a fire engine on the way to a fire was engaged in a governmental function, so that a person injured by it could not claim against the city, but that a fire engine on the way home from a fire was engaged in a proprietary function and hence a person injured by it could recover.

The courts have been fairly unanimous, according to the booklet, in holding that the operation of an airport is a proprietary and not a governmental function and that municipalities are not immune from suits for damages by reason of negligence in their operation or maintenance.

### Courts Not Unanimous

As to the questionable constitutionality of statutes giving municipal airports immunity from damage suits, the booklet points out that state courts are not unanimous on this point but in any event their decisions do not dispose of the fundamental question: Can a state by mere legislative declaration create its own arbitrary classifications of what constitute governmental functions and thereby extend the field of municipal immunity from suit at its own pleasure.

Mr. Havens makes the point that the United States Supreme Court has held in other fields that legislative definitions cannot override the facts, for example, that a private carrier cannot be converted into a common carrier or a private business into a public utility by mere legislative fiat. It may well hold, he believes, that a legislature cannot, by these statutes, deprive a citizen of his right to recover for damages caused by a city's negligent operation of an airport merely by putting a gov-

ernmental label on a proprietary function. In this connection he mentions the number of courts that have found no difficulty in holding that airport operation is a proprietary rather than a governmental function while there is a lack of findings to the contrary.

### Am. Farmers Case Goes to Trial at Des Moines

DES MOINES—An equity suit brought against American Farmers Mutual Automobile of Des Moines got under way with hearings held on motions seeking to bar three Des Moines attorneys from the case.

District Judge Hayes of Knoxville, assigned to the case, was expected to rule on the motions and then begin the actual suit.

Milford Beegly, a director, obtained an injunction against the company and its officers, preventing cancellation of his automobile policy and interfering with him as a director. The equity suit is based on this action.

Max Putnam, former attorney for Beegly and legal counsel for the company, filed as an intervenor while H. M. Havner and Paul Jones entered the case as counsel for the policyholders. During recent months, the case has ex-

panded with a series of charges and counter-charges. The motion before the court was on barring of Putnam, Havner and Jones from the case. The court held Putnam has a right to participate in the case and to remain as an intervenor.

The name of L. M. Peet, president of Farmers Union Life, was injected into the case through a petition filed by the policyholders' protective committee in another intervenor action.

The petition alleged that Peet proposed that Farmers Union Life and Farmers Union Automobile be merged with both American Farmers Mutual Life and auto associations.

### Guarantee Opens New Branches

Guarantee of Los Angeles has opened new branch offices in San Diego, with R. L. Galloway, who had been with the company at the home office for four years, in charge, and in San Francisco, with Harry V. Starks as manager. He has been with the company two years.

### Ohio Managers Group Elects

The Ohio Association of Casualty & Surety Managers, meeting in Columbus, elected O. P. Ruffing of Travelers, Columbus, president; E. H. Schier, American Surety, Cincinnati, and Charles L. Harris, New Amsterdam, Cleveland, vice-presidents; C. C. Laffer,

American Bonding, Columbus, secretary-treasurer, reelected; F. J. Roelle, F. & D., Cincinnati, F. R. Widdleton, National Surety, Columbus, and A. W. Lorenz, Maryland Casualty, Cleveland, new members of the executive committee.

### Test Case on Association Groups on Trial in Iowa

DES MOINES—Trial has been started in the suit of Commercial Casualty against Commissioner Fischer to force renewal of its license, which the Iowa department denied on the ground the company's plan to issue group accident and health insurance to the state medical society is discriminatory under the Iowa statutes. The department contends that as the law now stands, group insurance cannot be issued unless there is an employee-employer relation.

Testifying at the opening sessions were Commissioner Fischer and Irving G. Wessman of the company's accident and health department.

The state is expected to interject the Blanchard act, an anti-rate making law, into the suit, claiming the company has violated the act through its group contracts.

## A SPLENDID OPENING FOR A Casualty Field Manager IN MICHIGAN

We have an opening for a casualty field manager that offers a very unusual opportunity.

The company offering this position is an outstanding midwestern stock casualty company which has one of the leading agency organizations in Michigan. It therefore offers the security of an existing strong agency plant, plus an unlimited opportunity to build increased production.

Up to this time our Michigan business has been principally automobile. We now want a Field Manager to develop Workmen's Compensation and other general casualty lines in cooperation with our three established branch offices, and backed by a fully developed, expertly staffed engineering department.

All factors are favorable for immediate success and a pleasant, profitable future. Write to the box number below giving essentials of your experience. Personal interviews will be arranged for the interchange of additional information.

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The National Underwriter, 175 W. Jackson Blvd.,  
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## Reviews Record of WSA Insurance

(CONTINUED FROM PAGE 2)

of-capture-and-seizure clause as between marine and war risks. He said negotiations have been proceeding for settlement of some 600 claims, which he believed "can be adjusted on a basis whereby private underwriters will absorb from 60 to 70% of the disputed amounts, leaving only about one-third net for the government."

### Time Charter Operations

Several hundred claims arising out of time charter operations are being cleaned up, he said. Numerous claims arising out of collisions between ships owned by or under bare-boat charter to the United States and Britain, respectively, have been "waived out" under a reciprocal agreement, and similar agreements are being negotiated with other Allied governments. Britain and Australia have assumed several hundred claims arising in their jurisdictions, under reverse lend-lease.

"Further, our insurance arrangements have been recast so as to minimize controversies as to classification of claims between marine and war risk, and also to eliminate claims arising out of collisions between privately owned time

chartered vessels and government-owned or bare-boat chartered vessels. We have worked out a procedure permitting liquidation of accumulated claims for damage to shore structures with the approval of the Attorney General. Claims in this category should be liquidated within the next year. We also have established and achieved substantial recognition of our contention that government agencies should not press tort claims against one another.

"Accordingly, we do not pay claims to the army, navy, defense supplies, commodity credit, or other government agencies for damage to vessels or cargoes.

"The employment of private underwriters for handling of P. & I. claims and certain other marine claims has been materially helpful by making their world-wide claims organization available."

### War Risk Subsidies

Land estimated that not more than \$600,000 would be required for war-risk subsidies representing coverage on cargoes at noncompensatory rates. He called attention to a small over-all profit

in operating the insurance fund, although considerable cargo insurance had been written at rates believed noncompensatory and below commercial rates.

Land proposed reduction from \$142 million to \$121 million in the insurance item, due to reduction in rates and hazards, and following standard business practices. The rate had been \$56.25 per deadweight ton but went down to \$47 last April and goes down 12½% a year.

When Rep. Wigglesworth queried about comparative costs of United States and British insurance, Percy Chubb, deputy WSA administrator, replied: "The British provide war-risk insurance to their owners in the commercial war-risk insurance and P. & I. clubs, and the values are based on 1939 values plus 25%" which he "imagined" to be less than United States rates. Chubb would not venture an opinion on Wigglesworth's question whether British comparable rates are more than a third of American rates. Chubb said British values vary as between individual vessels.

"The insurance rates would be about comparable," said Chubb. "Supposedly, the value of the individual ships would be variable."

### Basic British Values \$40

The committee was told that the last time WSA looked into the matter, basic British insurance values for 20-year-old freighters were about \$40 a ton, or about 85% of the American \$47.50 value. The \$56.25 value is subject to adjustment for speed, age and other characteristics. The basic rate applies to 10-knot, 20-year-old freighters, Land said.

He stated that all 874 ships under charter to WSA are insured. During the fiscal year ending June, 1944, net liability on commercial insurance underwritten totaled \$2,030,545,091; net premium, \$26,867,823; fluctuation in reserve for unearned premium was \$1,110,800; net earned premium \$27,978,623; losses paid \$6,894,533; estimated losses outstanding \$3,531,710; fluctuation in reserve for unreported losses \$1,370,000; underwriting expenses \$591,085; fees \$19,612; losses incurred \$9,666,942; debit \$1,732,871; credit \$20,044,551; net credit \$18,311,680.

### Record from Inception

A similar table dealing with insurance written from inception of the WSA program to June 30, 1944, showed the following grand totals: net liability \$13,385,402,675; net premium \$482,006,902; fluctuation in reserve \$145,000; net premium earned \$481,861,902; losses paid \$264,539,843; estimated losses outstanding \$158,931,731; fluctuation in reserve for unreported losses \$8,130,000; incurred loss and underwriting expenses \$1,207,842; losses incurred \$432,809,418; debit \$13,693,141; net credit \$49,052,483.

Attention was called to a decrease of about \$20 million in insurance premiums called for in the new fiscal year and Land was asked why the government should not carry its own risk.

"We have carried most of the risk,"

he answered, "but we did not want the industry to die. In accordance with the policy of the merchant marine act of 1936 we did our best to build up an insurance syndicate so we would not be forced to go abroad. We have kept them alive, and in my judgment it is a fine policy and we have continued to do it. Only recently they are attempting to get insurance on foreign bottoms, which means that post-war we will have a proper marine-insurance syndicate in this country and will not be dependent upon foreigners. But we have carried most of the insurance risks ourselves in the insurance fund."

## Insurance Women Make Real Progress

(CONTINUED FROM PAGE 2)

man of employment committee, stated that there had been 6,683 calls from employers, 1,787 from employees. More than 600 had been placed in positions.

### Regional Chairmen

The work of the National Association of Insurance Women is divided into eight regional districts. Marjorie Hull, Syracuse, is director of No. 1, Miss MacCubbin, No. 2, Edna Bowman, Chattanooga, No. 3, Betty Augustus, Indianapolis, No. 4, Doris Mundt, Sioux Falls, No. 5, Marjorie Wilson, Topeka, No. 6, Elsie B. Mayer, Denver, No. 7, Antoinette E. Oster, Long Beach, Cal., No. 8.

A standard installation service was adopted. The one submitted by the Insurance Women of Oklahoma was selected. It was the consensus of the board that any insurance woman who has made herself eligible through proper education will continue to maintain her position in the post-war period.

### New Officers Take Hold

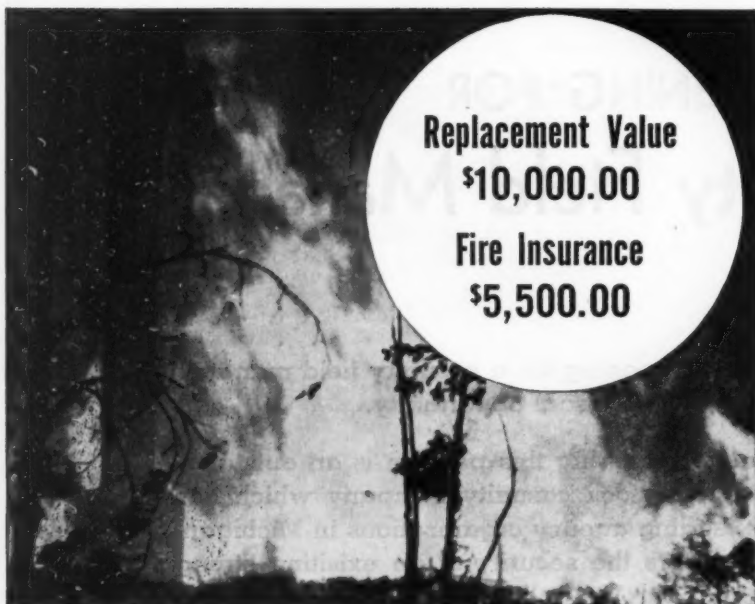
An impressive moment came when Mrs. Doyle handed the gavel over to the new president, Mrs. Anderson. Mrs. Doyle spoke with great emotion of the pleasure she had found in her work with the association.

The newly elected treasurer, Helen Tombs, Rock Island, Ill., was the only one on the ticket unopposed. She is secretary of the Rock Island Insurance Agents Association. She has done excellent work in promoting local clubs, there being four downstate now, Rock Island, Decatur, Springfield, Galena and East Moline.

### Visited the Laboratories

Miss Sadie Hoffman, new president of the Distaff Association of Chicago, invited the women to the Underwriters Laboratories, she being secretary to President Small. A number took advantage of the invitation and she acted as hostess.

Miss MacCubbin, who was stricken with the "flu" Monday, was unable to



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attend the banquet and subsequent activities. She was confined to her room but was able to start for home Saturday.

#### Committee's Good Work

The committee from the Association of Distaff Executives, women's club of Chicago which acted as the host to the members of the National Association of Insurance Women that held its annual meeting in Chicago last week that did some remarkable work was the registration and service committee headed by Ruth Kendall of the Associated Aviation Underwriters. Her associates were Myrtle Buck, National Fire of Hartford, Doshia Pearson, W. A. Alexander & Co., Mrs. J. E. Martin, Factory Insurance Association and Mabel Laycock, Western Underwriters Association.

## Argue Agent's Suit Challenging N. Y. Licensing Statute

(CONTINUED FROM PAGE 5)

parallel between it and the licensing section of the New York law. Mr. Wagman, however, said the two laws are quite different. The Idaho law provided that no policy could be issued except through a resident of the state. He particularly stressed the fact that when enacted, the Idaho law had contained a provision, later removed, stating that its purpose was to make sure that the state got its full share of insurance taxes.

The New York licensing law, on the other hand, is designed to assure standards of qualifications among agents. He pointed out that the accommodation of competing state and national interests in borderline cases involving interstate commerce was not first enunciated in the S.E.U.A. case but goes back nearly 200

years to the Cooley case involving harbor pilots.

The argument was on a motion for judgment on the pleadings made by Mr. Arnold and a cross-motion for dismissal of the complaint by William McNulty, assistant attorney-general of New York state. The case was heard before Judge William C. Hecht, Jr. Because of the importance of the case it is believed that it will be at least a week before Judge Hecht gives an opinion and it is believed possible that it may take as long as several weeks.

Judge Hecht asked a number of questions of both counsel. In general they were for clarification but at one point he asked what the effect would be of scrapping state regulation of insurance agents in the absence of any federal system of insurance regulation. Mr. Arnold, of whom the question was asked, ducked answering, but reiterated his contention that the S.E.U.A. decision takes away the state's police powers over insurance agents of out-of-state companies and hence the state courts should follow this holding regardless of the practical consequences.

Judge Hecht's views on federal regulation of insurance seemed to be indicated in a remark he made after Mr. Arnold had quoted part of a statement made by Senator O'Mahoney of Wyoming in the debate in Congress on public law 15. Judge Hecht observed that Senator O'Mahoney is "notorious as a Senator who is in favor of federal control of everything."

At another point he appeared to indicate the feeling that state regulation has been doing all right, at least in New York state. Mr. Arnold was contending that the purpose of public law 15 was to give the insurance business time to correct "abuses" when Judge Hecht remarked, "I don't know of any such abuses in this state."

Deputy Superintendent A. J. Bohlinger was in court as an observer.

## S.E.U.A. Anti-Trust Suit Dropped

(CONTINUED FROM PAGE 1)

about six weeks ago. Thereafter, Biddle announced the plan to publish an exchange of correspondence.

However, shortly afterwards Biddle's resignation was accepted and appointment announced of Tom Clark as his successor.

#### SENATOR FERGUSON'S VIEWS

Commissioner Harrington of Massachusetts has released a letter that he has received from U. S. Senator Ferguson of Michigan expressing the hope that the states will enact legislation providing for affirmative regulation of rates and rating bureau without delay. This opinion coincides with the belief of Mr. Harrington that it is a mistake to postpone rating legislation.

Senator Ferguson as a member of the Senate judiciary committee was prominent in the deliberations concerning public law 15 and he was a strong advocate of the Bailey-Walter bill.

Senator Ferguson observed that rating laws have been in effect in several states and New York state has supervised rate making for more than 20 years. He expressed the opinion that rating laws which have worked well and which provide for affirmative regulations can be readily prepared and enacted by the states without delay. There should be, he said, some experience in the administration of rating laws to determine their efficacy before the end of the moratorium period provided in public law 15. He expressed the hope that the various states at the earliest possible date will look into this question of insurance legislation and determine what should be done, "for I am a firm believer that the states rather than the federal government should enact legislation in relation to insurance."

Mr. Harrington remarks that insurance companies are likely to be farther

apart a year from now than they are at this time on matters of rate regulation and that at the end of the moratorium period rate making combinations will be outlawed in states which have made no provision to permit such combinations.

## State Insurance Bill in Ala. Dead

BIRMINGHAM — Gov. Chauncey Sparks' bill putting the state of Alabama in the insurance and bonding business on an all-out basis is dead. The house ways and means committee indefinitely postponed the bill for the second time and an hour later the senate insurance committee considered it briefly and applied chloroform.

Insurance men from every section of the state vigorously opposed the bill before the house committee. Henry Meader, Montgomery, attorney for several groups of underwriters, pointed out that, while the bill would give the state the right to waive surety on every type of bond and the right to write every kind of insurance needed, instead of only fire and windstorm insurance, as at present, it would also permit the insurance division of the finance department to "farm out" insurance to com-

## Grand Rapids Bank-Agent Meeting

GRAND RAPIDS, MICH.—A regional meeting of agents and bankers was held at the Morton hotel here to promote the bank-agent plan for insuring financed accounts, the program for which roughly paralleled that of the recent Detroit meeting.

W. B. Hall, vice-president Detroit Bank, who spoke at the Detroit session, duplicated his talk here; Roy Carlson, manager automobile department, American of Newark, presented the companies' side and W. O. Hildebrand, Lansing, secretary-manager, Michigan Association of Insurance Agents, spoke for the agents. J. M. Crosby, Jr., former Michigan association president, presided. R. O. Brundage, Lansing, manager Michigan Bankers Association, who has been giving much time to the coordinated banker-agent program, attended.

mercial companies and to require private sureties on contractors' bonds. He said this "would make it possible for the state government to hand all of its insurance and bonding business to one or two political favorites."

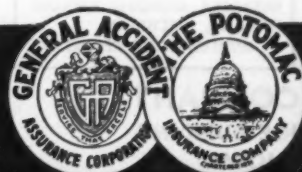


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## Ill. Insurance Legislative Outlook Is Now Clear

SPRINGFIELD, ILL.—As the Illinois legislature moved towards adjournment Saturday night or Sunday morning, the probable disposition of insurance bills became fairly clear this week.

The automobile financial responsibility measure of the New York-New Hampshire type had passed the senate and was on third reading or passage stage in the house with every indication that it will be enacted.

The bill to pave the way for introduction of the 1943 New York standard fire policy in Illinois had passed the house and Wednesday was on second reading in the senate and its passage is certain.

Assured of passage is the bill to create a 10-man interim commission to study rate regulatory, tax and other laws in the light of the S.E.U.A. decision. It has passed the senate and was on third reading in the house.

The bill to remove the restriction of 10% in the amount of any one bond issue in which a domestic insurer may invest passed the senate and was on third reading in the house. It will pass.

Having passed the senate the bill governing credit for premium reserves in connection with reinsurance is on third reading in the house and it will be enacted. It is like the New York law, providing that unless a reinsurer agrees to pay on the basis of the amount of the allowed claim in the event of insolvency of the reassured, the latter may not take premium reserve credit for premiums ceded.

The bill to increase workmen's compensation benefits was passed by both houses, and the bill to increase O. D. benefits will pass. The benefits hereafter will be 20% greater than the basic scale instead of 17½% greater.

It is unlikely that the bill to increase compensation benefits by .5% for each year the injured lacks of being age 60 will pass.

One or the other of the bills for an enabling act for medical service corporations will pass.

The senate bill to increase the surety bond requirements of mutual benefit associations passed the house and was on second reading in the senate.

Killed was the bill to outlaw arrangements under which glaziers contract, either for a percentage of the premium or for a stipulated sum, to make all glass replacements for an insurer in connection with plate glass losses. Also killed was the Ryan bill to increase the premium tax to 4%, repeal the Guertin legislation and to do several other sensational things.

The bill to increase salaries of members and employees of the industrial commission was passed.

The house bill to create a commission to study compulsory auto insurance is still something of a threat, being on third reading in the house but it is likely to fail.

## Call Off Safety Congress

The National Safety Council has informed ODT that no application will be made for permission to hold the 1945 National Safety Congress.

James S. Goodwin, manager of the Chicago and Cook county office of London Assurance, was honored at a dinner of the staff on his 25th anniversary as the manager. Chris D. Sheffe, U. S. manager, was on from New York and presented Mr. Goodwin a sterling silver cigarette case. The staff gave him a fine fly rod. Mr. Goodwin had initial experience with his father, Warren, who was U. S. manager of Northern Assurance. The son then went to work for Hall & Henshaw at Chicago and later was connected with the Rollins-Burdick-Hunter agency in charge of brokerage business before joining London Assurance as manager.

## Beal to Rockford Local Agency

C. J. Beal has resigned as Illinois state agent for Royal-Liverpool to enter the local agency business with Williams-Manny-Stevens & Co., Inc. of Rockford, Ill. He is a graduate of Armour Institute of Technology in fire protection engineering and was connected with the Illinois Inspection Bureau for several years before joining Royal-Liverpool.

## Plan for Municipal Mutual in Canada Is Rejected

TORONTO—The Federation of Canadian Mayors & Municipalities at its annual conference here rejected in toto the proposal advanced by western Canadian delegates that municipalities form their own mutual fire company to provide insurance protection for municipal property across Canada. Its chief proponent was J. M. Hodgson, city commissioner of Edmonton.

Rejection of the proposal was largely due to the advance work done by the Canadian Underwriters Association in acquainting agents throughout the country of the move. Agents were advised in sufficient time so that they could contact their respective mayors and caution or advise them against such a move.

However, the companies will be asked by the municipalities to consider a proposal whereby a deductible type of policy be made available. This suggestion was advanced by Robert Saunders, mayor of Toronto, who favored a policy which would make the municipalities liable for the first \$10,000, \$15,000 or \$20,000 of a loss. The municipalities feel that if they could make such an arrangement they would be able to reduce their insurance costs.

## N. Y. Brokers Reelect Officers

NEW YORK—Directors of the Insurance Brokers Association of New York have reelected the following officers:

President, James F. Brennan, Rollins-Burdick-Hunter; 1st vice-president, Lester D. Egbert, Brown, Crosby & Co.; 2nd vice-president, B. W. Blakey, Benedict & Benedict, who succeeds his late partner Thomas F. Handy; treasurer, S. Stanley Gray, McLean & McLean; secretary, Henry H. Livingston, Lukens, Savage & Washburn.

The designation of senior director was voted to Malcolm B. Dutcher, Frederick S. Little, Carlton O. Pate, and Mr. Rice for meritorious service as former officers.

## Planet Licensed in New York

Planet has been licensed in New York and expects to commence operations soon in upper New York, and the suburban areas. Planet is now licensed in Michigan, Connecticut, New Jersey, District of Columbia, Ohio, Indiana, Washington, California and New York.

Edwin D. Livingston, 65, who retired as president of Seaboard Surety 12 years ago, died of heart attack at Union Memorial Hospital, Baltimore. He suffered from asthma and had been in the hospital for some time and apparently was improving when his heart failed.

Mr. Livingston joined Fidelity & Deposit in 1900 and remained there four years. He spent the next seven years successively with Aetna Indemnity, United Surety of Baltimore, Metropolitan Surety and Empire State Surety. He was elected vice-president in charge of the surety department of Royal Indemnity when that company was organized in 1911. When Charles H. Holland was named president of Independence Indemnity in 1923 Mr. Livingston was elected vice-president, but he returned to New York after a year or two and acted as surety consultant for several years. He was elected president of Seaboard in 1927 when that company was established and retired in 1933.



# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Danek Again Heads Minn. Federation

ST. PAUL—Otto L. Danek, local agent of Glencoe, was reelected president of the Insurance Federation of Minnesota at its annual meeting here. Vice-presidents are Ernest C. Bowe, state agent, Springfield F. & M.; C. W. Hall, president Northwestern Fire & Marine; James E. Kidd, vice-president Mutual Implement & Hardware, Owatonna; Charles F. Liscomb, Duluth; R. V. Mothersill, president Anchor Casualty; H. P. Skoglund, president, North American Life & Casualty, and George W. Wells, Jr., vice-president Northwestern National Life. Clyde B. Helm, Minneapolis, secretary-treasurer, was re-elected.

C. A. Dosdall, vice-president St. Paul F. & M., is chairman of the board. New directors are: Roy A. Mitchell, local agent, South St. Paul; Hiram W. Moore, manager Mutual Life, St. Paul; T. H. Furth, local agent, New Ulm; C. E. Gesme, local agent, Benson; Robert T. Lundberg, Western Realty Co., Duluth, and Bradford H. Strom, local agent, Jackson.

#### Weakness in Public Relations

In his annual address President Danek said that while insurance has progressed during the war it has faced problems that have tested its ingenuity. Referring to the Supreme Court decision, he remarked, "Perhaps our business will emerge stronger after the readjustment."

One of the weak spots in the industry, he said, is public relations, "and as a result there is an unfortunate misunderstanding of our business on the part of the public. I believe that all of us can improve the position of our business by our contacts with the public, that it may acquire a better and more favorable feeling for our business."

The value to the industry of such organizations as the Insurance Federation was stressed in the annual report of Secretary Helm. With a definite trend towards governmental domination and control of the business, he said the answer is organization. "Every person who obtains his livelihood from any branch of insurance must join whatever organization is available for the protection of his interests."

### Detroit Agents' Membership Drive Brings Results

DETROIT—The Detroit Association of Insurance Agents membership committee under L. R. Hamann, with the assistance of Elmer Salzman, secretary-manager, has turned in 51 new applications in the last 45 days and the drive still is in full swing.

In view of the difficulty some Detroit agents have experienced in securing valuations of jewelry collections for jewelry floater purposes, the Detroit association has made arrangements with the Berkey Manufacturing Co. to appraise jewelry on a current value basis without obligation for members.

#### West Central Minn. Election

MONTEVIDEO, MINN.—The West Central Minnesota Agents Regional Association has elected these officers: President, Arthur T. Goeson, Montevideo; vice-president, W. D. Grashuis, Clara City; secretary-treasurer, Shelby C. Kiesling, Murdock. Frank Preston, executive secretary of the state association, spoke at the annual meeting. Several field men attended.

### Valuable Forum at Independence

INDEPENDENCE, KAN.—A valuable forum discussion of current insurance problems, in which almost everyone in attendance participated, was conducted at a group meeting here of the Kansas Association of Insurance Agents, with 48 agents from six counties, two bankers, the city manager and six field men attending.

O. B. Ecker, president of the Independence Agents Association, presented the members of the state association executive committee and the special guests and explained that the meeting would be conducted as a forum. Each speaker would be allowed to outline his subject and would then answer questions from the floor.

Larus Magill, assistant manager Kansas Inspection Bureau, Topeka, discussed the dwelling and household form and the extended coverage endorsement. The discussion showed that agents desire further clarification of the outbuildings section and changes in the reinstatement or unearned premium clause.

Dan Boyette, assistant manager of Travelers in Kansas City, presented new developments in casualty lines. The discussion period indicated a considerable interest in the new comprehensive liability forms.

#### Public Relations Work

Victor G. Henry, Wichita, member of the executive committee of the N.A.I.A. and state national director from Kansas, gave a condensed but comprehensive review of what the National association is accomplishing for the benefit of local agents throughout the country. Mr. Henry stressed that the National association is dependent upon the state associations for effective action, and that the state association can only give that support through the activities of local associations and individual members. He asked that local agents give more consideration to and comment on the proposals of the National and state associations.

Edwin S. Nellis, Topeka, chairman of the state association public relations committee, exhibited the materials which have recently been placed in the hands of agents to establish them more securely in their own communities. He urged that these materials be given careful study and promised further developments which would improve agents' prestige.

#### Take Interest in Legislation

Glenn Hussey, Topeka, chairman of the state association legislative committee, talked of failure to accomplish desired legislative program in the past and warned that the indifference of the individual agent was largely responsible. He charged each local agent with responsibility for informing himself on proposed legislation affecting the insurance business and for taking some part when called upon. Legislators listen to their constituents with far more interest than they do to organizations. The association can correlate and appraise legislation affecting the business—but the individual local agent must put his shoulder to the wheel if any program is to be accomplished.

George Stoskopf, Baxter Springs, president of the Kansas association, summarized the program in a brief but compelling argument for increased interest in the affairs of the state association. He pointed out that a small group of officers and committee chairmen carry on the activities of the association practically unaided, with no reward other

than the satisfaction of improving the business of insurance and safeguarding the interests of the agents. Increased numbers and participation are imperative.

Miss Amy Hall, secretary, and Mrs. C. R. Guilkey, vice-president of the Independence association, were in charge of arrangements.

### Bank-Agent Auto Plan Being Pushed in Kansas

Dorth Coombs, president of the Wichita Association of Insurance Agents and chairman of the finance accounts committee of the Kansas association, held a meeting of the committee at Pittsburg when the executive committee of the Kansas association met there. It was recommended that member agents in each town get busy at once and acquaint their bankers with the bank-agent auto plan and its possibilities; that they assist the banks in getting the necessary machinery set up. The committee will distribute 1,000 reprints of the article of Paul H. Woods, assistant vice-president of the First National Bank of Wichita, who recently addressed the Wichita association on the subject, to all Kansas member agents and bankers. It was announced that manuals are being prepared by both the American Bankers Association and the N.A.I.A.

Mr. Coombs also addressed a special luncheon meeting of the bankers in Pittsburg, arranged by the Pittsburg Insurance Board. Edwin S. Nellis, Topeka, a president of the Kansas association, assisted in the discussion. Jack Cherry, Pittsburg member of the executive committee, presided. The matter also was discussed at a dinner meeting given by the Pittsburg board the previous evening for the officers and executive committee of the Kansas association.

Mr. Coombs covered the same subject at the regional meeting the following evening at Independence.

At the executive committee meeting, Laurin W. Jones, Dodge City, a past president, was named head of a committee to study the membership dues setup and to consider the possibility of employing a full-time secretary for the Kansas association.

### Minneapolis Changes Proposed

MINNEAPOLIS—An important closed meeting of the Minneapolis Underwriters Association has been called for July 9 to consider proposals that affect the future management of the board. It is understood that the members will be asked to pass on increased dues in the state association and also to consider putting the Minneapolis board office on a part-time basis instead of employing a full-time manager as at present.

The state association has for some time been heading toward a fulltime executive secretary and at its last annual meeting it took steps to bring about such an arrangement. A new scale of dues was adopted and put into effect to finance expansion of state association activities. The St. Paul local board at its quarterly meeting June 6 approved the increased dues and now the Minneapolis board is being asked to do likewise.

#### Gary Local Board Active

GARY, IND.—President David Furse has been authorized by the Gary Insurance Board to appoint a legislative committee to work with the Indiana Association of Insurance Agents in its effort to improve the agents' qualification law. A report from the special auto financing committee indicated that agents here can now assure clients who purchased

new autos the continuance of proper insurance service and at the same time arrange for financing. The publicity and advertising committee is developing a campaign to inform the public of this service.

### Mich. Reviewing "Basic" Forms

LANSING, MICH.—The Michigan department is starting on its huge task of reviewing all "basic" policy forms of carriers licensed in the state under the 1945 revision of the insurance code.

Commissioner Forbes said some short cuts are being worked out to expedite the job. Under one such plan, the National Board, through the Michigan Inspection Bureau, will file certain uniform policies for groups of its members so that it will be unnecessary to go over these forms individually. A similar arrangement probably will be worked out with the casualty carriers.

### Printz Succeeds Gallagher

A. J. Printz, who has been with the Ohio Inspection Bureau since 1923, has been named to succeed E. F. Gallagher, resigned, as head of the utilities division. Mr. Printz is a graduate of Ohio State University. He has been in charge of the rerating crews and directed the rerating of Cleveland some time ago. Mr. Gallagher resigned to go with Planet of Detroit.

### Gilbert with J. & H. at Detroit

T. L. Gilbert has been elected vice-president of the Michigan corporation of Johnson & Higgins and will be handling fire and casualty lines. He was previously associated with the Chicago office and prior to that he was with U. S. F. & G. at Chicago and Milwaukee.

### Hanselmann at South Bend

SOUTH BEND, IND.—Gerald R. Hanselmann of Western Adjustment, South Bend, discussed fire adjustments before the South Bend-Mishawaka Association of Insurance Agents. G. H. Downey, state agent of Buckeye Union, spoke on automobile financing. A stag picnic will be held July 12.

### H. J. Kahn With T. E. Wood

H. J. Kahn, well known in the Cincinnati advertising and sales promotion field and formerly advertising manager of the La Mode Co., has joined the production department of the T. E. Wood agency. Mr. Kahn has been familiarizing himself with his new work for a number of months. He attended the University of Cincinnati and Ohio State University.

### Saginaw Election Deferred

SAGINAW, MICH.—Saginaw Association of Insurance Agents has deferred election of officers until fall, probably Sept. 21. Waldo O. Hildebrand, secretary-manager of the Michigan association, discussed post-war problems and the association's campaign to build up automobile and other financed accounts business in cooperation with the banks.

### O'Mahoney in St. Louis

The Insurance Agents Association of St. Louis will hold a luncheon meeting July 11, when Senator J. C. O'Mahoney of Wyoming, will talk on "Your Insurance Future." Governor Donnelly of Missouri and Mayor Kaufmann of St. Louis have been invited to attend.

### Dodge County, Wis., Agents Meet

MAYVILLE, WIS.—The Dodge County Association of Insurance Agents at a meeting here held a question and answer period featuring phraseology of policies and special con-

ditions and situations met in underwriting.

## NEWS BRIEFS

**Orville S. Morse**, who in 1899 established the local agency now operated under the name of O. S. Morse & Son with his son, Ralph, Janesville, Wis., was honored at a special dinner by Western Star Masonic lodge, and was presented a 50-year Masonic membership certificate.

**Charles L. Manson**, Wausau, Wis., and prominent in the Wisconsin Association of Insurance Agents, has been elected chairman of the Marathon county chapter of the National Foundation for Infantile Paralysis.

**Leonard V. Weisensel** of the Wiesensel agency, La Crosse, Wis., has been elected commander of the Vingers post of American Legion for a second term. He was instrumental in organization of the County War Veterans Allied Council.

Following the marriage of Miss Max-

ine Ruhr of **Meek's Insurance Agency**, Clay Center, Kan., Mrs. Maxine Hammerli will continue to assist in the operation of the agency until Frank Meek returns from service as a lieutenant in the navy.

The **Insurance Women of Wichita** installed new officers June 27. Margaret Garrett, Wm. Cohen agency, is president; Gladys Courtner, Beezley, Outland & Foote, and Alma Burkle, Earl Woodard agency, vice-presidents; Edna Willson, Wheeler, Kelly & Hagney, secretary; Marie Cowan, treasurer.

The **Hutchinson (Kan.) Association of Insurance Women** at its annual picnic elected Mary Haines of the Bert Mitchner agency president; Helen Ahrens, Service Agency, and Dorothy Kline of Kline-Thompson, vice-presidents; June Rayl of Kline-Thompson, secretary-treasurer.

**Charles H. Schutz** has purchased the John S. Prickett agency, **Kalamazoo, Mich.** He has just returned to the business after being placed on the inactive list following service in the army with the rank of major.

**Walter A. Netterblad** has purchased the insurance business of the Olsen Agency, **Stoughton, Wis.**

been completed and advertising will begin soon.

Since travel conditions have not improved, the board considered it advisable to postpone the annual meeting another three months. In case no convention is held, the constitution provides that present officers will hold over. Eight new members were approved, bringing membership to 342.

It was announced the association has operated within its budget for five years. The budget was slightly increased and a committee was appointed to work out a plan further to increase income to provide a surplus for post-war activities. Chairman Joe Bandy presided. President C. P. Edwards Jr., Kingsport, was unable to attend.

A resolution was passed congratulating Commissioner McCormack on his election as president of the National Association of Insurance Commissioners and flowers were wired to his hospital room in Rochester, Minn.

## 50-Year Celebration for Yazoo City Agency

Barnwell & Barbour, Yazoo City, Miss., celebrated its 50th anniversary in the business with open house, followed by luncheon for 50 at the home of Mr. and Mrs. I. H. Barnwell.

Mr. Barnwell presided at the luncheon. Jephtha Barbour welcomed the guests.

Herbert Holmes, Yazoo attorney and Democratic committee chairman, who worked for the agency in 1902 at a salary of 50 cents per week, spoke in memory of Austin Barbour.

Miss Sallie Barnwell, daughter of Mr. Barnwell, was introduced as a partner; as was also Miss Sadie Underwood, a part owner, who has been with the firm 41 years.

Insurance Commissioner J. L. White and Clant M. Seay, secretary of the Mississippi Association of Insurance Agents, extended congratulations.

Isham Beard, state agent of Aetna Fire, extended congratulations in behalf of the firm.

The only change which has been made in the ownership of the agency during the 50 year period was following Austin Barbour's death Aug. 26, 1944, when Miss Barnwell became a partner.

Mr. Barnwell was also observing his 64th anniversary in the cotton business and his 58th year of married life.

## New Governing Committee of Virginia Rating Bureau

Four companies were elected on the governing committee for three years by the Virginia Rating Bureau at the annual meeting in Richmond. They are Home, National of Hartford, Old Dominion and Sun. A. R. Phillips, president Great American, was re-elected governing committee chairman, and Claude D. Minor, president Virginia Fire & Marine, continues as vice-chairman.

The new executive committee includes O. B. Roberts, Hartford, chairman; R. C. Rice, Phoenix of London, vice-chairman; Maurice Turner, American; J. H. Baker, Virginia Fire & Marine; P. F. Brown, Jr., Fidelity-Phoenix; J. J. Elder, Phoenix of Hartford; C. T. Lloyd, National Liberty; Louis Rueger, Jr., London & Lancashire; H. N. Taliaferro, Security of New Haven. L. O. Freeman, Jr., was re-elected bureau manager, and R. P. Bell and W. C. Wood assistant managers.

## Three Independents Form S. C. Adjusting Office

A corporation has been formed in South Carolina known as Calhoun, Clement & Greene, for the handling of claims in the central and eastern sections of that state. Julian Calhoun, head of Julian Calhoun Claims Service, Spartanburg, S. C., is president; R. L. Clement, who operates R. L. Clement & Co., adjusters, Savannah, Ga., is vice-president and James C. Greene, inde-

pendent adjuster of Raleigh, N. C., is secretary-treasurer.

General manager is George B. Skillman, formerly with the Kemper group at New York.

The corporation has begun business with headquarters at Sumter, S. C., where it has taken over the office formerly known as James C. Greene Co., and Mr. Skillman is now stationed there. Other offices are authorized and will be opened in due course.

The organization is independent of the present organizations operated by Messrs. Calhoun in South Carolina, Clement in Georgia and Greene in North Carolina. The officers, however, propose to follow a policy of training adjusters to supply the new corporation as the need arises.

It is proposed that eventually the four organizations will supply claims service extending along the Atlantic coastline from the southern border of Virginia to the northern boundary of Florida.

## La. Steering Group Holds Parley at Shreveport

The members of the executive committee of the Louisiana Association of Insurance Agents held a business meeting at Shreveport. There was a business session in the morning and a regional meeting in the afternoon at which President Seymour presided. Reports were heard from the chairmen of the fire and casualty committees. W. Loring Ferguson, member of the N.A. I.A. executive committee, addressed the group, and Campbell Palfrey addressed the assembly which had been augmented by the presence of many state, city and parish officials, on fire prevention.

In the evening the Shreveport Association of Insurance Agents entertained at their annual barbecue at Cosmopolitan Club.

## New Florida Legislation Is Reviewed

In addition to enacting a fire and casualty rating bill, the Florida legislature passed a number of other insurance measures. One bill that passed permits existing assessment companies to amend their charters and by-laws so as to transact business as a legal reserve company. Another new law allows the insurance commissioner to make his preliminary report in April instead of March. Another bill that was successful requires companies writing accident and health insurance to file policies and forms. A law was enacted providing for non-profit medical, surgical and hospital coverages.

## T. F. Mahone Enters Atlanta General Agency

Thomas F. Mahone, who resigned as special agent supervising both Georgia and Florida for Springfield F. & M., is now a partner of H. Benson Ford, general agent of Atlanta. The firm name is now Ford, Lawton & Mahone.

## N.A.I.A. Course at El Dorado

El Dorado, Ark., is conducting the first N.A.I.A. insurance course in Arkansas outside of Greater Little Rock. Nine people compose the El Dorado study group on fire and allied lines, which is being taught by R. R. Brown, manager United Insurance Agency and a member of the executive committee of the Arkansas Association of Insurance Agents.

## Award Richmond, Va., Auto Line

McCue & Alsop, Richmond local agency representing Aetna Fire and Century Indemnity, has been awarded a contract to provide liability, property damage, fire and theft coverage for the city's fleet of some 600 motor vehicles. Last year the contract went to agents representing Aetna Casualty. The annual premium will be approximately \$12,000. The policies will be written at rates published by the Virginia Auto-

# IN THE SOUTHERN STATES

## Department Report Forecasts Arkansas Fire Rate Cuts

**LITTLE ROCK**—Excess earnings amounting to \$213,275 of 170 stock fire insurance companies in Arkansas above the 5% underwriting profit allowed by law, based upon experience of the past five years, were reported by Commissioner McKenzie in his annual report.

Total incurred premiums reported for 1940 through 1944, were \$29,797,369. Losses were \$14,438,832 or 48.5%, and expenses \$13,749,694 or 48.1%, making a total of 94.6%. Companies in Arkansas are permitted a 5% underwriting profit and the state law makes it mandatory for the commissioner to order a reduction in rates whenever earnings pass this.

## Taxes and Fees Up

In 1944 the department collected \$1,007,396 in taxes and fees, \$14,587.36 more than in 1943. In addition, about \$64,000 in franchise taxes was paid direct to the state treasurer by insurance companies. A 1945 law levying the same 2% premium tax on domestic companies as well as on foreign companies is expected to bring in an additional \$60,000 annually, Commissioner McKenzie stated.

The amounts collected were allocated by the state treasurer as follows: general fund, \$740,904; workmen's compensation fund for upkeep of the commission, \$110,333; firemen's relief and pension fund for distribution to municipal fire departments, \$61,895; sanitation fund of the health department (from a special half-cent levy on life insurance premiums) \$93,263.

## Compensation Picture

The commissioner stated that "arson for gain" had practically disappeared in 1944, although a few fires of suspicious origin had occurred. He suggested the addition of several inspectors and investigators to the fire marshal's staff because the latter is constantly being called upon to assist county and city officials in the investigation of suspicious fires and with inspection and fire prevention problems.

An over all reduction in workmen's compensation rates of 25% has been effected, Commissioner McKenzie said, since the act became effective in December, 1940, the latest reduction coming June 1 of this year. The construction and operation of war plants has greatly increased workmen's compen-

sation premiums, and their closing will mean a substantial reduction.

## Dallas-Houston Contest to Extend Over Five Years

The Dallas-Houston fire loss contest, which became too hot for the judges to handle because of intangible factors to be considered in choosing the winner, has been revamped to extend over a five-year period. No committee of judges is needed as the only deciding factor will be insured losses as released by Marvin Hall, Texas fire commissioner. The Houston city council called a special meeting to receive visiting Dallas city officials, including T. L. Yeagan, chairman of the Fire Prevention Council, and the revised contest rules were signed.

Since Dallas had about \$205,000 more insured losses in 1944 and Houston has had an abnormally high loss so far in 1945, it was agreed to make the calendar years, 1944 and 1945 one unit. The city having the lowest insured losses for the two-year period will entertain the mayor and his official party of the losing city with a steak dinner in the winning town but the visiting mayor will eat crow. The insured losses for the balance of 1945 will really determine the winner.

The calendar years of 1946, 1947 and 1948 each will make another contest unit, making four contests in all. Monthly reports of insured losses will be exchanged by the fire marshals of Houston and Dallas so the public will know how each city is progressing in reducing fire losses.

The Dallas Fire Prevention Council is sponsoring a July 1 spectacular show at the state fair grounds to include a demonstration by the fifth ferrying command of extinguishing an airplane fire by the fog method.

## Tennessee Agents Hear Auto-Bank Plans

**MEMPHIS, TENN.**—That definite progress is being made on a statewide program to prepare for the sale of more auto coverage through local bank financing was indicated by reports made to the quarterly meeting of directors of the Tennessee Association of Insurance Agents.

T. K. Robinson Jr., secretary, reported for Memphis and west Tennessee that the Memphis Exchange has begun to use radio advertising to inform the auto-buying public that local agents will be prepared to finance all car insurance premiums. H. H. Corson, reporting for Nashville, and S. H. Chester, for Chattanooga, stated all preparatory arrangements with local banks had

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mobile Rate Administration. Last year the policy was extended for 30 days beyond expiration date pending outcome of a plan for the city to self-insure, but this plan recently was abandoned when the city attorney ruled the city could not legally pay claims for damages out of city funds.

#### Texas Committees Named

Richard H. McLarry, Dallas, president of the Texas Association of Insurance Agents, has announced committee appointments. The legislative committee, which was reappointed, consists of Fred S. Nagle, Jr., Austin, chairman; Julius Bergfeld, Tyler; Lum Edwards, Beaumont; J. W. Purifoy, Ballinger, and Ethridge Woodward, Waco.

Casualty: Mitchell Ragland, Paris, chairman; Arthur Greig, Galveston, and Melvin Miller, Fort Worth.

Fidelity-Surety: Travis Bailey, San Antonio, chairman; George E. Byrne, Marshall, and Guy Saunders, Amarillo.

Rates and forms: Alphonso Ragland, Jr., Dallas, chairman; Charles Smelker, Beaumont, and Russell Trimble, San Angelo.

#### New Oklahoma Agency

W. A. Wilson of Oklahoma City and T. Harry Roberts of Tulsa have organized an agency to be known as Wilson-Roberts Insurance Agency with offices in the Hightower Building, Oklahoma City, and have been appointed general agents of Manufacturers Casualty. Mr. Roberts will also maintain his present office in Tulsa.

#### NEWS BRIEFS

A new local agency, Lindsey & Cun-

ningham, has become a member of the Greater Little Rock Insurance Exchange. The firm is composed of Raymond R. Lindsey and Walter T. Cunningham, both of whom were formerly associated with the Fidelity Co. in Little Rock.

E. H. Crump & Co. agency, Memphis, was awarded first prize in creative advertising competition at a conference of the National Advertising Agency Network at Skytop, Pa.

The newly elected officers and board members of the Insurance Women of New Orleans were installed at a dinner meeting. The installation was in charge of J. W. Thompson, vice-president of C. A. Spori & Co.

President is Miss Dorothy Brown; first vice-president, Miss Louise Eckert; second vice-president, Miss Hilda Keen; recording secretary, Miss Willetta Mayo; treasurer, Miss Elaine Fryer. Mrs. Gayle Schneidau, the out-going president, was presented with a bow-knot pin.

The North Carolina Federation of Insurance Women executive board met in Greensboro in lieu of a state convention. John W. McAllister, Greensboro, addressed the business session on the new standard fire policy, and visitors were entertained at a dinner by the Greensboro women. The Greensboro Insurance Exchange honored delegates at an informal party. Ernest Young, Charlotte, president North Carolina Association of Insurance Agents, was a special guest.

The Insurance Women's Club of Oklahoma City installed new officers: Theda Tunnell, president; Alvina Bohlen and Leta Elwick, vice-presidents; Betty Mahan and Ruth Myers, secretaries; Melissa Pattilo, treasurer.

mittees will shortly be announced by the organized fire and casualty insurance company men and the bankers of Allegheny county.

### N. J. Rating Unit Ready to Start

Archibald Kemp, vice-president of Firemen's, was elected chairman of the governing committee of the newly organized Fire Insurance Rating Organization of New Jersey which succeeds the Schedule Rating Office of New Jersey as of July 1. John Glen-

dening, vice-president of Home, is vice-chairman and Leon A. Watson, who was expert of the Schedule Rating Office, is secretary, treasurer and general manager. Company members of the governing committee are American, Atlantic Mutual, Continental, Fireman's Fund, Firemen's, Home, North America, London, National, Northern of New York, North River and Royal.

The Schedule Rating Office has been in existence 32 years. For the past 23 years it has been under the administration of Mr. Watson.

#### Collieries Gets Entire Proceeds

CHARLESTON, W. VA.—An order by Federal Judge Ben Moore has been entered here denying the Raleigh county board of education's claim for \$4,771 in the insurance settlement of the Collins high school fire at Epperly in January, 1944.

Under the ruling, the entire insurance proceeds of \$67,201 will go to Winding Gulf Collieries Co., of Bluefield, W. Va. The company based its claim for the amount in dispute on a reversionary clause in the deed to the property on which the school was located.

This specified that title automatically would revert to the company once the property was no longer used for school purposes.

It was argued on behalf of the company that the board had not indicated any intention of making future use of the site for school purposes.

#### Changes in York Mutual

Harold N. Hanold has been elected president of the York Mutual of Portland, Me. He succeeds S. B. Shepard of Buxton, who continues as a director. Mr. Hanold is a member of the Maine governor's council.

George C. Lord of Wells, member of the state highway commission, was elected vice-president to succeed George S. Hobbs of Portland, who died recently.

Pliny A. Crockett, formerly assistant treasurer, was advanced to treasurer, which was one of the positions also held by Mr. Hobbs. A. L. T. Cummings was reelected secretary. Taking Mr. Hobbs' place on the board is E. A. Walter, Jr., of Waldoboro, who is superintendent of agents.

#### Rulon to American in Loss End

American has appointed Harry G. Rulon as staff adjuster at Philadelphia. He will be associated with J. E. Elwell, manager of the loss department.

Mr. Rulon has been in the independent adjustment field at Philadelphia 14 years. He has specialized in inland marine adjustments.

#### Buffalo Agency Advances Two

Howard E. Evans and Howard J. Bradley each has been elected assistant secretary and assistant treasurer of the Buffalo National Corporation agency in Buffalo. They have been with the company since 1929.

## COAST

### New Oregon Rules Effective with 1943 Fire Policy

PORTLAND, ORE.—A complete revision of the Oregon Insurance Rating Bureau rule book became effective June 16, concurrent with the adoption of the 1943 New York standard fire policy. There are a number of important changes, including substantial rate reductions for extended coverage. Dwelling rates for this coverage are reduced from 6½ cents to 4 cents annually. These reductions result from elimination of a factor for the waiver of fallen building clause, since there is no such clause in the new policy, and also from a change in the term rule.

The revision eliminates a number of ambiguities, errors in cross-reference and lack of uniformity in terminology. Editorial changes conform the rules with the requirements of the new fire policy, such as eliminating the lightning clause, providing the standard electrical apparatus clause and reforming the permits and agreements section.

There is a new day table, giving a chart for determining the number of days between two given dates, a revised short rate table, showing the percentage earned for each day of the year, and a separate short rate table for term policies cancelled after the first year of the policy term. A new pro rata table shows decimal fractions for any given number of days for one year, applying to annual, three-year and five-year policies. The bureau hopes by means of this table to eliminate confusing discrepancies in interim premium adjust-



Leon A. Watson

## EASTERN STATES ACTIVITIES

### Chas. A. Reid New Pittsburgh Head

PITTSBURGH—Charles A. Reid of Wallace M. Reid & Co., was elected president of Pittsburgh Association of



C. H. Alexander



Chas. A. Reid

Insurance Agents at the annual meeting. The vice-president is Raymond A. Tucker of Tucker & Johnston.

New directors are David H. Blayney of Clarence V. Watkins & Co.; Edward A. Havey, Thomas E. Hopkins of Hopkins agency; Kenneth D. Jones of Jones & McClure in Homestead; E. W. Murphy, H. Donald Walley of A. D. Wilson Co., and W. J. Zwinggi of Logue Bros. & Co.

Dewey Clark of Frank T. Lauinger Company and past President Andrew W. Pardew of William W. Flanegin & Co., were reelected.

Beginning his ninth year with the association, Bessie M. Snyder was reelected secretary-treasurer. Helen C. Clouse, who has been employed by the association for several years, was designated to fill the newly created office of assistant secretary. An extended leave of absence was granted to Miss Snyder, however, because of ill health. She has been confined to her home at Greensburg.

#### Ray Thomas Installs Officers

The officers and directors were installed by W. Ray Thomas of Logue BROS. of Pittsburgh, president National

Association of Insurance Agents. Ralph H. Alexander, formerly an officer of the association and now the deputy insurance commissioner of Pennsylvania, administered the oath.

Mr. Reid and Mr. Tucker, formerly directors, succeed Clarence H. Alexander of McCandless, Collingwood & Alexander and John J. O'Donnell of Lon C. Jeffrey & Co., respectively.

Chairman of the nominating committee was Past President Albert C. Darragh. Annual reports were received and various amendments in the organization's constitution and by-laws were adopted in accordance with recommendations of the rules and amendments committee. Mr. Pardew and Mr. Ladley presented this report. In a surprise move, the association awarded a scholarship for advanced study in the 1945-46 term of the Pittsburgh Insurance School to an honor student of the elementary insurance school recently established by Insurance Women of Pittsburgh.

#### Open Forum on P.P.F.

Paul K. Mullen of National Union Fire presided over an open forum discussion on the personal property floater, which is to be permitted in Pennsylvania Sept. 1.

The Pittsburgh association has undertaken extensive activity on the bank and agent auto plan. At a special meeting, a large group of agents, company men and bankers, from Allegheny and surrounding counties, discussed the plan and ways and means for its operation. This meeting was addressed by G. Morris O'Brien, field supervisor, and Harold G. Eberle, home office representative of Aetna Casualty.

The newly elected officers and directors of the association, at their organization meeting appointed a committee to pursue the matter. It is composed of Frank A. Hewitt of Hoover & Diggs as chairman; Crosby T. Smelker of Tucker & Johnston; George A. Uhlinger of Uhlinger Realty Company in Springdale, and H. Donald Walley of A. D. Wilson Company. It is expected that the appointment of cooperating com-

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ments and to reduce the chance of errors in calculation.

#### Ruling on Rates and Policy

The bureau stipulated that existing average rates published to expire after June 16 may continue in force until their normal expiration date, but policies using such rates effective June 16 and after must carry forms which meet the requirements of the revised rules. These forms must be previously submitted and approved by the bureau.

Commissioner Thompson authorized the bureau to state that the insurance department considers subscribing companies of the bureau have adopted the

recommendation that policies in effect before June 16 be interpreted as to any loss occurring after that date as giving the insured the option of loss adjustment under the terms of either the new policy or the old policy. The commissioner stated that unless any subscribing company files with the insurance department on or before July 16, a statement to the contrary, the option will be considered as having been accepted by all companies. This will eliminate the necessity of cancelling and rewriting on the new policy or issuing an endorsement. In any specific instance, however, endorsements granting this option may be used.

of Northwestern Mutual Fire in 1927, joined Cravens, Dargan & Co. as Spokane field man in 1930, and was transferred to Portland and northwest field manager in 1937. He went with Edward Brown & Sons in 1941.

Clyde Clary has been named Oregon manager of Edward Brown & Sons and Duane Gregg, formerly special agent, becomes manager in Seattle in charge of western Washington. Mr. Clary has been special agent in Oregon of National of Hartford, joining this company a year ago on receiving a medical discharge from the army. Before entering service he was special agent of Glens Falls in Oregon.

inning to make their appearance. The yards have been busy in turning out LSTs and other special craft for the government and this work is expected to be about over.

After the war, the river is expected to continue to be used as a convenient and cheap means of moving bulk freight. Diesel boats have been developed which can push tremendous loads economically.

The actual tonnage moved in 1944 was 37,801,254, compared with 36,610,262 in 1943 and the record 38,280,812 in 1942, according to the U. S. division engineer. The average length of haul increased, however, from 136.4 miles in 1942 to 163.8 miles in 1943 and to 185.3 miles in 1944. The ton mileage figure for 1944 compares with 5,996,346,526 in 1943 and 5,299,846,755 in 1942.

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### Cal. Committee to Study Needed Changes in Laws

In accordance with a senate concurrent resolution calling for a special joint committee of the California legislature to study the insurance laws of the state with the view of bringing about changes deemed necessary because of new federal legislation, the following have been named:

From the senate—James J. McBride, chairman, local agent of Ventura; Roy Cunningham, local agent of Hanford and W. P. Rich, attorney of Marysville, Calif. Representing the assembly are Thomas A. Maloney, San Francisco broker, and Frank Waters of Los Angeles, attorney for Pacific Employers.

The resolution provides \$10,000 for the expenses of the committee.

The assembly also adopted a similar resolution. No committee has yet been named but it will probably include the same assemblymen appointed to the joint committee, with the addition of one more representative.

The committee is to submit its report at the 1947 session of the legislature.

### Hayden Executive Secretary in Cal.

Eveleth E. Hayden, who has been named executive secretary of the California Association of Insurance Agents to succeed Frank C. Colridge, comes to the insurance business with a varied experience which gave him contacts with educators, engineers, professional groups, salesmanship and business management.

He took a pre-medical course at University of California for 3½ years, then abandoned that profession to become a sales correspondent for E. I. DuPont de Nemours & Co. in San Francisco. He had sales, advertising and public relations experience, established and managed a paint store for the company at Oakland, then joined the H. J. Kaiser Co. shipbuilding interest in charge of wage administration for four large plants, the position which he resigned to join the agents' association. He will attend his first directors meeting June 30. Mr. Hayden is on a tour of agencies throughout California.

### Hurley in Brokerage Firm; Brown & Sons Changes

James D. Hurley is resigning as vice-president of Edward Brown & Sons in charge of the Pacific Northwest to join a new brokerage firm, to be known as Byington, Rychard & Hurley, with offices in Portland and Seattle.

Mr. Hurley will have charge of Oregon operations, with headquarters in Portland. Richard H. Byington and Clayton H. Rychard, who have for many years operated the Seattle brokerage firm of Byington & Rychard, will devote their efforts principally to Washington business.

Mr. Hurley started as an inspector

### Kavanaugh Urges Law Revision

DENVER—Commissioner Kavanaugh has requested Governor Vivian to urge the legislative interim committee to prepare legislation to make Colorado insurance laws conform with federal requirements.

"It is important that legislators meet with representatives of insurance companies and with the attorney general so proper laws will be adopted," Mr. Kavanaugh said. "The alternative would be the federal government stepping in and taking over state legislation."

"With proper study and comparison with other state laws," he said, "the interim committee can prepare a model act to meet the need."

### Heavy California Fire Loss

Fires in Fresno and Kern counties, Cal., caused aggregate losses of \$1,117,500, the Fresno fire department reports. The largest loss was at the Sun-Maid Raisin Association plant, Biola, Fresno county, destroying the \$160,000 main building in which 65 carloads of navy supplies, including processed foods, bedding and other materials were stored, valued at \$10,000 per car; a \$15,000 bottling equipment belonging to a winery concern, and approximately \$40,000 worth of raisins. Fire in the E. E. Elze motor shop, Fresno, damaged six other concerns and buildings. In Kern county, a cafe, store and four houses at Inyo-Kern were damaged \$50,000 and fires damaged three homes in another section of Fresno county, adding another \$7,500.

### Utah Convention Aug. 27-28

SALT LAKE CITY—The annual meeting of the Utah Association of Insurance Agents has been tentatively set for Aug. 27-28 at Ogden. Committees are at work on plans for the meeting.

O. E. Vombaur, Union Trust Co., former president of the Utah Association of Insurance Agents, has been elected president of the Salt Lake Executive Club.

## MARINE

### River Line Has Splendid Record

CINCINNATI—River marine insurance men are well pleased with the large volume of premiums resulting from the 7,004,056,443 peak ton mileage carried on the Ohio river in 1944. Despite similar problems experienced in other transportation fields such as heavy traffic, shortage of equipment, increased values, and shortage of experienced personnel, the record volume was carried with a satisfactory loss ratio. The high water this year did not do any material damage. Indications so far show that 1945 will equal, or not fall far below, the record volume of last year, despite a falling off in the movement of oil products from the record movement in 1944.

Shipyards are becoming very active now in producing commercial craft and many new towboats and barges are be-

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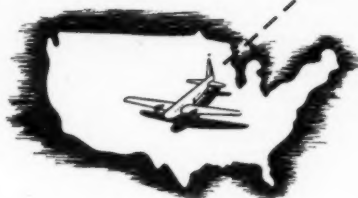
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